

# THREAT ASSESSMENT, MILITARY STRATEGY, AND DEFENSE PLANNING

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## HEARINGS

BEFORE THE

COMMITTEE ON ARMED SERVICES

UNITED STATES SENATE

ONE HUNDRED SECOND CONGRESS

SECOND SESSION

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JANUARY 22, 23; FEBRUARY 19; MARCH 3, 20, 1992

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# **THREAT ASSESSMENT, MILITARY STRATEGY, AND DEFENSE PLANNING**

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**WEDNESDAY, JANUARY 22, 1992**

**U.S. SENATE,  
COMMITTEE ON ARMED SERVICES,  
*Washington, DC.***

## **THE INTERNATIONAL SECURITY ENVIRONMENT OVER THE NEXT DECADE**

The committee met, pursuant to notice, at 9:35 a.m. in room SH-216, Hart Senate Office Building, Senator Sam Nunn (chairman) presiding.

Committee members present: Senators Nunn, Exon, Levin, Dixon, Glenn, Wirth, Warner, Thurmond, Cohen, Lott, Coats, and Mack.

Committee staff members present: Arnold L. Punaro, staff director; Richard D. DeBobes, counsel; and Madelyn R. Creedon, counsel.

Professional staff members present: Robert G. Bell; Richard E. Combs, Jr.; Richard D. Finn, Jr.; Creighton Greene; John J. Hamre; David S. Lyles; T. Kirk McConnell; Michael J. McCord; and Frederick F.Y. Pang.

Minority staff members present: Patrick A. Tucker, minority staff director and counsel; Romie L. Brownlee, deputy staff director for the minority; Judith A. Ansley, Brian D. Dailey, George W. Lauffer, Mark B. Robinson, and Ann Elise Sauer, professional staff members.

Staff assistants present: Barbara L. Braucht, Kelli J. Corts, Cindy Pearson, Susana C. Wigdale, and Mickie Jan Wise.

Committee members' assistants present: Andrew W. Johnson, assistant to Senator Exon; Richard W. Fieldhouse, assistant to Senator Levin; William J. Lynn, assistant to Senator Kennedy; Charles C. Smith, assistant to Senator Dixon; Donald A. Mitchell, assistant to Senator Glenn; Leon S. Fuerth, assistant to Senator Gore; Jefferson B. Seabright, assistant to Senator Wirth; Terence M. Lynch, assistant to Senator Shelby; Melvin G. Dubee, assistant to Senator Byrd; James M. Bodner, assistant to Senator Cohen; Anthony H. Cordesman, assistant to Senator McCain; Samuel D. Adcock, assistant to Senator Lott; Pam Sellars, assistant to Senator Coats; Saul H. Singer and Ross Lindholm, assistants to Senator Mack; and Thomas L. Lankford, assistant to Senator Smith.

## OPENING STATEMENT OF SENATOR SAM NUNN, CHAIRMAN

Chairman NUNN. The committee will come to order. The Committee on Armed Services meets this morning to begin our hearings on the national security posture of our Nation. Our committee has traditionally started with an examination of the threats, the strategy, and other considerations external to the Defense Department as the necessary condition precedent and foundation to our more detailed hearings and consideration of the defense budget. We begin this year's hearings against a background of expected additional defense cuts from the administration and a variety of defense cut proposals from both Republicans and Democrats in the Congress.

Clearly, there have been major changes in the international security environment during the past year that will have an impact on our national security posture:

(1) The Warsaw Pact has gone. Of course, that is not new. We have had that one for 2 to 3 years now, but the Soviet Union has now been dissolved. In its place are three independent Baltic nations and a Commonwealth of Independent States joined together in a loose political configuration still groping to define the permanent relationship among themselves.

(2) The United States and our allies won a resounding military victory in the Persian Gulf conflict.

(3) North and South Korea are taking the first concrete steps toward reducing tension on that peninsula.

(4) A peace settlement in El Salvador holds out the prospect of greater stability throughout Central America.

There are events all over the world that are not encouraging, but these are certainly very important parts of our national security planning. All of these welcome changes in the world are putting enormous pressure on the defense budget, which includes the intelligence budgets. Many have forgotten, apparently, that the Department of Defense and the intelligence community collectively, have embarked on a restructuring of our defense establishment; and the Defense Department plans a reduction in forces and in the overall size of the military by 25 percent by fiscal year 1995. Before the next round of cuts, overall spending would already decline by 34 percent in real terms by 1996. Over 1 million active duty, reserve and civilian personnel positions have been cut in DOD planning. In other words, over the next 5 years, counting the last fiscal year, we will have 1 million less active duty reserve and civilian personnel positions. That is already underway. That is before any additional cuts that the President or Congress may come up with. That does not count the industrial jobs and positions that will naturally be diminished as the defense budgets, procurement, and R&D go down. It also must be noted that despite the collapse of communism and the reduction of the threat from the Soviet Union, the world remains a dangerous and very unpredictable place.

I think it bears noting at this point that the American way of life, our values and our hopes, are predicated on the continued ability of our Nation, along with our allies, to help shape and to respond to, if necessary, external threats. Nevertheless, the events of

the past year require us to take a fresh look at national security requirements.

There is no debate that we need to take a fresh look. There is no debate that the defense budget will come down. The question is, how much and how rapidly can we come down and still maintain the kind of force structure that we need to respond to an uncertain world.

I believe that the Armed Services Committee and the Senate have a very important challenge in the coming months, perhaps the most difficult challenge in my 20 years in the Senate. The decisions Congress and the administration will make on the defense and intelligence budgets this year are going to affect the size and capability of our military forces for the next 20 years. We must ensure that the defense budget decisions we make are geared to our long-term national security needs and are not focused solely on the expediency of the moment or the latest opinion polls. The quality of our forces, the superiority of our weapons systems, and the professionalism so amply on display during the Persian Gulf conflict reflect decisions made and sustained over at least the last 15 years.

As we begin our consideration of the size and shape of our military forces for the years ahead, we also must be mindful of the vital role that our men and women in uniform and their families played in bringing about the successful conclusion of the Cold War. We will continue to rely on them in preserving our national security in the future, and I hope we keep that in mind.

In order for us to make the proper decisions, I think it is imperative and the responsibility of this committee and the Congress to ask key questions. Among them, what are the threats defined in broad terms that will face our Nation? What are the potential threats, and over what timeframe could these potential threats develop? This is the major focus of today's hearing. What do we want our military forces to be able to do in the next 10 to 20 years? How should our military forces be sized and structured to carry out these tasks and respond to these threats?

In my view, we have to have a clear answer to these questions about our long-term military needs before we can make rational decisions on the fiscal year 1993 defense budget. We have to recognize that today's decisions in fact shape the military force that the Nation will have 10 years from now, just as the decisions made 8, 10, 12 years ago decided the kind of force that we went to the Persian Gulf with. What we do now will not just affect 1993, but what we do in the next year or two will determine what kind of force the President may have at the turn of the century to meet threats at that point which I think all of us would say today are impossible to precisely predict.

As in past years, we start our work on ensuring our national security with an assessment of the major international threats to our national security interests over the next decade. Our witnesses for this purpose are Mr. Robert Gates, the Director of Central Intelligence, and Gen. James Clapper, Jr., the Director of the Defense Intelligence Agency. I want to welcome Mr. Gates and General Clapper and note that this marks the first appearance before the committee for both of these witnesses in their current positions, al-

though Mr. Gates has spent a number of hours with us in this room before. I think we all are glad it is this circumstance now rather than the previous.

Senator Warner and I asked Director Gates and General Clapper to give us their views on the major international threats to our national security interests over the next 10 years. We asked them to pay particular attention to those potential threats to our national security where action by the United States now could influence the extent to which these potential threats become real threats in the future. In other words, we are interested in what steps we can take now to influence and reduce the threats to our security in the future.

Without objection, the letters of invitation from Senator Warner and myself, to Director Gates and General Clapper will be inserted in the record at this point.

[The information follows:]

U.S. SENATE,  
COMMITTEE ON ARMED SERVICES,  
Washington, DC, January 14, 1992.

Hon. ROBERT M. GATES  
*Director of Central Intelligence,*  
*Washington, DC.*

DEAR MR. GATES: We would like to invite you to testify before the Senate Armed Services Committee on January 22, 1992 at 9:30 a.m. regarding your assessment of the major international threats to United States national security interests over the next decade. The committee is particularly interested in the role that the Intelligence Community can play in alerting decision makers to opportunities for action by the United States to shape the international environment in a manner favorable to U.S. interests.

This will be the first hearing held by the committee in the Second Session of the 102d Congress. This is in keeping with the committee's view that a national defense strategy should be based upon preserving or establishing capabilities to meet specific or generic threats that may confront the Nation in the future. We would also ask that you include your assessment of transnational issues such as technology and weapons proliferation, terrorism, and narcotics trafficking.

We are also inviting Lieutenant General Clapper, Director of the Defense Intelligence Agency, to join you in testifying at this hearing. We are asking General Clapper to address the same issues from a purely military perspective.

We would like to have as much of your testimony as possible in open session and will be prepared to have a closed session if necessary. The hearing will be held in room 216 of the Hart Building. A classified session, if necessary, would be held in room 219 of the Hart Building. If you have any questions about this hearing, please do not hesitate to contact us or Rick DeBobes of the committee staff at 224-7530.

We appreciate your cooperation in this matter and look forward to your testimony.

Sincerely,

SAM NUNN,  
*Chairman.*

JOHN W. WARNER,  
*Ranking Minority Member.*

U.S. SENATE,  
COMMITTEE ON ARMED SERVICES,  
Washington, DC, January 14, 1992.

Lt. Gen. JAMES R. CLAPPER, JR., USAF  
*Director, Defense Intelligence Agency,*  
*The Pentagon, Washington, DC.*

DEAR GENERAL CLAPPER: We would like to invite you to testify before the Senate Armed Services Committee on January 22, 1992 at 9:30 am. regarding your assessment of the military threats to United States security interests over the next decade. The committee is also interested in the role that the Defense Intelligence Agency can play in alerting decision makers to opportunities for action by the



United States to shape the international environment in a manner favorable to U.S. interests.

This will be the first hearing held by the committee in the Second Session of the 102d Congress. This is in keeping with the committee's view that a national security strategy should be based upon preserving or establishing capabilities to meet specific or generic threats that may confront the Nation in the future. We would also ask that you include your assessment of transnational issues such as technology and weapons proliferation, terrorism, and narcotics trafficking.

We have also invited the Director of Central Intelligence, Robert Gates, to testify at this hearing.

We would like to have as much of your testimony as possible in open session and will be prepared to have a closed session if necessary. The hearing will be held in room 216 of the Hart Building. A classified session, if necessary, will be held in room 219 of the Hart Building. If you have any questions about this hearing, please do not hesitate to contact us or Rick DeBobes of the committee staff at 224-7530.

We appreciate your cooperation in this matter and look forward to your testimony.

Sincerely,

SAM NUNN,  
*Chairman.*

JOHN W. WARNER,  
*Ranking Minority Member.*

Chairman NUNN. I want to alert members of the committee that we will be having a hearing on the future requirements for U.S. nuclear forces with a distinguished panel of outside witnesses tomorrow morning at 10 a.m. On Friday, January 31, also at 10 a.m. in this room, we will hear from Secretary Cheney and General Powell on the amended fiscal year 1993 defense budget and the future year defense plan.

Director Gates and General Clapper, we appreciate your joining us this morning and we look forward to your testimony. For everyone's information, we will have the witnesses' opening statements and then we will have a first round of questions in open session. We will then go into closed session next door in room SH-219 for subsequent rounds of questions involving classified matters. I want to note that the committee has previously sought to have questions of the Director of CIA and Director of DIA in open session, but such arrangements never came to fruition. We want to thank particularly Mr. Gates and General Clapper for their willingness to both testify and respond to questions in open session. I made it clear to them that if they feel that it is appropriate to defer answering a question until we can go into closed session for classified purposes then we will respect that decision. I will leave it up to both of you in that respect.

Before we ask our witnesses to make their opening statements, Senator Warner, we will welcome any comments you may have.

Senator WARNER. Thank you, Mr. Chairman. Your opening statement quite correctly and appropriately outlined how there has to be a direct correlation between the threat posed at this Nation and at our allies with the sizing and the composition of the force structure of the Armed Forces of the United States.

You mentioned that in your 20 years this is perhaps the most complicated formula that we have had to address. I say it is probably the most complicated formula that any Congress has had to address since the closing days of World War II because of the rapid change of the nature of the threat, and I underline the word nature, because the magnitude in some respects could still be there, and that is what we hope to learn from you today.

Secretary Cheney together with his very able Chairman of the Joint Chiefs have, in my judgment, tried to address this question in a very careful and thoughtful manner, and we are proceeding as the Chairman said in downsizing in an appropriate manner the sizing and composition of the Armed Forces of the United States.

Secretary Cheney and General Powell went back and carefully studied what had been done at the conclusion of World War II, what had been done on the eve of the war in Korea, and in the aftermath, and indeed the aftermath of Vietnam. I think it is the judgment of many that grave mistakes were made which left a permanent negative impact on the ability of the Armed Forces of the United States to fulfill their mission.

Secretary Cheney and General Powell are trying to learn from those mistakes such that they do not repeat them in the coming years as we downsize our Armed Forces, so your contribution is very important, but I also would like to point out the following.

In this morning's paper is an announcement with respect to the conference of 47 nations. As I left to come down to this hearing the President of the United States was standing before that group addressing it. Right below the article is a report about the ICBM launch in Kazakhstan. Each of us in this room knows that at the very moment our President is talking to these 47 nations there are missiles targeted in the Commonwealth Republics on the President and those 47 individuals.

In many respects the Soviets are extending one hand and saying help us and with the other hand it is poised on the red button. I find that inconsistent, and in my questions I will ask you what are the prospects of reducing the tensions that require, indeed, both nations now to keep this high level of ready alert on strategic missiles, because I think the world wants to help the Soviet people, wants to show compassion and understanding, but in return I think the Soviets or the former Soviet people, now the Commonwealth of the Republics, should begin to step up and take an initiative as to how they can stop the targeting of the very people from whom the help is being sought.

Chairman NUNN. Thank you, Senator Warner.

Senator Thurmond has asked that his prepared statement be made a part of the record following that of Senator Warner. Without objection, it is so ordered.

[The prepared statement of Senator Thurmond follows:]

#### PREPARED STATEMENT OF SENATOR STROM THURMOND

Thank you Mr. Chairman: Welcome, Director Gates and General Clapper. I want to join my colleagues in extending you a warm welcome to this, your first appearance before the Armed Services Committee as the Directors of your respective agencies. We are fortunate to have both of you at the helm of our Nation's premier intelligence agencies during this period of dramatic change in the global political and military environment.

The nature of the threat facing this Nation and the free world has changed with the demise of the Soviet Union and its client states. Prior to this shift, it was easy to identify the potential threat, and we therefore focused our intelligence resources on those particular sources. Now the threats against this Nation may be less obvious, but they still have the potential of causing equal havoc. The bipolar conflict of the cold war contributed to global stability. We knew who our enemies were, and we were prepared to meet them. Now we do not have such a luxury and must be prepared to meet challenges from wherever they may arise.

I recently returned from a visit to several of the newly independent republics in the former Soviet Union. I was surprised at the openness of the political and military leaders that we met. I was also surprised at the pessimistic picture they painted on the future of the independent states. I believe we should not take the demise of the former Soviet military establishment for granted and must continue to closely monitor the situation as they seek their proper role in a democratic environment. With the demise of the strong Central Government in the Soviet Union, we must be especially sensitive to the control of its nuclear arsenal. Although I applaud the withdrawal of a significant number of tactical warheads to Russia, I believe that the movement and storage of this large number of weapons increases the potential of a terrorist attack and subsequent proliferation of these weapons to states such as Iran and Libya.

Mr. Chairman, the nature of the threat may have changed, but there is still a significant threat to the stability and peace of this Nation and the world. It is most appropriate that we have Director Gates and General Clapper give us their assessment of the international security environment as we begin the deliberations on the defense budget for fiscal year 1993 and set the tone for our military establishment into the next century.

Thank you, Mr. Chairman.

Chairman NUNN. Senator Wirth has to go to another meeting and has asked to be recognized for a moment. Senator Wirth.

Senator WIRTH. Thank you very much, Mr. Chairman. Mr. Gates, General Clapper, thank you for being here. Mr. Gates, you and I, at the time of your confirmation, discussed at some length nonconventional definitions of national security, and you replied to me at that point with, I thought, a very forthcoming and good letter.

Since then, I have noted your speech that you gave at some length beginning to define the mission at the agency and your testimony this morning. In neither area did you focus at all on some of those new elements, running all the way from natural resources, global climate change, and perhaps most pressing of all, population.

I know how difficult the job is in redefining your mission and trying to understand the rapidly changing world defined so well by Senator Nunn and Senator Warner. I think we also have to understand that as the threats of population of Mexico City ends up as being 20 million people rather than 12 or 13 million people, as the Muslim population in Europe grows very dramatically, as population pressures around the world have put major pressure on us, I think it is absolutely imperative, and I ask you to just make an opening comment on this, that you focus your attention as well and that of the agency on these new and different kinds of threats that may turn out to be as devastating as the potential of other more conventional ideas or the terrorism and drug issues that you talk about in your statement.

I just wanted to raise that again with you. I was disappointed that it did not appear in your speech last fall or in your testimony this morning, and want to again urge you to redeploy the resources that way and to tell you that there are many up here who are deeply concerned about that, as we are about other threats.

I know how complicated your mission is. I wanted to add a further complexity to that. It is enormously important that you focus attention on these nonconventional but very, very real threats.

Mr. Chairman, I thank you very much for your kindness and courtesy.

Chairman NUNN. Thank you, Senator Wirth. Senator Dixon has asked that his prepared statement be made a part of the hearing record. Without objection, I shall enter it at this time.

[The prepared statement of Senator Dixon follows:]

**PREPARED STATEMENT BY SENATOR ALAN J. DIXON**

Mr. Chairman, it is a pleasure to have with us today the Hon. Robert Gates and Lt. Gen. James Clapper. I am deeply interested in what these gentlemen have to say about our international security environment. Their insight into this area will help us as we frame our defense structure and supporting budget for this fiscal year and the years to come.

There are many pressing needs in our country for any defense dollars that we can free up. Our economy and people need financial support. However, we must insure that we do not revert to a force structure that will not be able to carry out our national defense strategy and policy. I look forward to the comments by our witnesses.

Thank you, Mr. Chairman.

Chairman NUNN. Mr. Gates, we are ready to hear your opening statement, followed by General Clapper. Then we will have questions for both of you.

**STATEMENT OF ROBERT M. GATES, DIRECTOR OF CENTRAL INTELLIGENCE**

Mr. GATES. Thank you, Mr. Chairman.

Mr. Wirth, before I begin I might just respond that I take your point. I would point out, however, that in the President's national security review directive that ordered all of the policy agencies of the government to review their intelligence requirements and needs out to the year 2005, I specifically made sure that both the head of the Environmental Protection Agency and the Secretary of Health and Human Services were included as addressees in there specifically to take account of the specific issues that you and I had discussed and to ensure that those received consideration as priorities for the intelligence community in the future.

Mr. Chairman, members of the committee, General Clapper and I both welcome this opportunity to discuss the threats to U.S. interest worldwide over the remainder of this decade. As you indicated, Mr. Chairman, we have witnessed in recent years a massive global transformation. The Cold War is over. The major military threat to the United States has receded and the danger of war in Europe and of nuclear holocaust has vastly diminished. Many regional conflicts are coming to an end, particularly those conducted around the world through surrogates, and the forces of reform in what was the Soviet Union are now ascendant.

On the other hand, we face a paradox as we confront new and unexpected challenges, as well as familiar concerns and risks. As suggested by Senator Warner, the demise of the Soviet system offers the promise of greater liberalization and economic transformation. International cooperation has increased, yet the side effects of success in this long struggle will continue to have destabilizing and dangerous implications and will confront us with new and in many cases unexpected challenges, the sudden appearance of 15 new countries in place of a single, familiar empire, and enormous problems in all of them.

In the process of disintegration now unfolding the former Soviet Union faces internal crises and the possibility of large-scale civil disorder. While it continues to possess some 30,000 nuclear warheads, the most powerful of which are still aimed at us, and the subsidence of the superpower contest has allowed other conflicts to come to the fore in the former U.S.S.R. among various republic and ethnic groups.

Beyond the borders of Russia and the other newly sovereign republics lie other very real challenges to peace and international order and thus to the United States—the proliferation of nuclear, chemical, and biological weapons and related delivery systems. Over 20 states have or are acquiring weapons of mass destruction. These arsenals are often in the hands of unstable and unreliable governments.

The most dangerous external effect of the Soviet break-up is to add fuel to this fire of proliferation, at least potentially. Ethnic and territorial disputes in Eastern Europe have risen to the surface and threaten political instability and civil war, despite prospects for the development of democratic institutions and market economics.

Embattled Communist regimes remain in place in China, North Korea, Vietnam, and Cuba. The potential for conflict in the Middle East and South Asia, where many states import arms and develop weapons of mass destruction, remains high despite some encouraging prospects for peacemaking in the wake of the Gulf war and the loss of the superpower patron of many of those states.

Finally, although we can see an encouraging trend toward political pluralism in many parts of the world, the foundations of these fledgling democratic systems are weak and could be undermined by regional conflict, sectarian hostility, and economic misery.

General Clapper, in a few moments, will describe in greater detail the remaining conventional and strategic forces of the former Soviet Union. My brief characterization of these forces is that the threat to the United States of deliberate attack from that quarter has all but disappeared for the foreseeable future.

On the one hand, the capabilities of the strategic forces are being significantly reduced. Modernization programs are likely to be delayed or abandoned and training will be cut back. The readiness of conventional forces is at the lowest level in many years. Naval deployments continue to decline from already reduced levels, and inadequate training is degrading the combat capability of the general purpose forces.

On the other hand, we cannot ignore the implications of the thousands of nuclear weapons in Russia, Ukraine, Belarus and Kazakhstan. Tactical weapons are being withdrawn to secure storage sites in Russia, and all parties have agreed that command and control of strategic nuclear weapons should be maintained, but the viability of the Commonwealth of Independent States in whose name these weapons are controlled is not certain. Over the longer term, if these democratic forces in the Commonwealth do not prevail, a new military threat could emerge from the region.

Internal to the states of the former Soviet Union, the transition to democracy and a market economy obviously is difficult. The Russian economy continues to spiral downward. Although it is too early to gauge their prospects, Yeltsin's market reforms have not

yet reversed this trend. Privation and public anger at these painful reforms could, with the disintegration of the armed forces and ethnic conflict, combine to provoke civil disorder over the next several months.

If Yeltsin's reforms have not put affordable goods on the shelves by spring, his political position, despite the large reservoir of public support for him, will diminish, as will his ability to push ahead with economic reform. Moreover, the economic and social challenges facing Russia and the other newly independent states of the region are so great that their governments could be overwhelmed before democracy and market reform can take root. For these reasons, the prognosis for the Soviet Union is cloudy at best.

In Eastern Europe, progress toward democracy and free markets is obstructed by harsh economic realities, turmoil in the Commonwealth, or the difficulty antagonistic groups have in compromising in cooperating with one another. Ethnic tensions are reemerging.

The conflict in Yugoslavia is illustrative of the force of ethnic rivalry. We should hope, but cannot be confident, that Yugoslavia is unique in its propensity for violence. As in the past, sometimes I find my history books are more relevant than my briefing books. The Balkans have again become the least stable part of Eastern Europe. The anticommunist revolutions of Albania and Romania are incomplete.

Emerging from the break-up of Yugoslavia is a checkerboard of insecure states that will seek ties with Western Europe and with the United States to protect them from antagonistic neighbors. The danger of substantial ethnic strife in and among these new states in the worst case could spill over into Hungary, Bulgaria, and Albania, whose fragile governments would be hard put to cope.

The steady and worrisome growth in the proliferation of nuclear, biological, and chemical weapons around the world is of gravest concern. For decades, the international community has worked from the premise that the more countries possessing these weapons, the greater the likelihood that they will be used.

Of what once were hostile states, only China and the successors of the former Soviet Union now have the physical capability to strike the United States directly with weapons of mass destruction. We do not expect direct threats to the United States to arise within the next decade. Nonetheless, the threat to Europe, the Middle East, and Asia is real and increasing.

Several countries have missiles that could carry nuclear warheads and threaten U.S. interests, forces, or allies. Most major Middle Eastern countries have chemical weapons development programs, and some already have weapons that could be used against civilians or poorly defended military targets.

Most have not yet equipped their delivery systems to carry weapons of mass destruction. Over the next decade, however, we expect such weapons to become more widespread from North Africa through South Asia if international efforts fail to curtail this proliferation.

North Korea and China have sold other countries longer-range missiles and the technology to produce them. China has agreed to observe the guidelines of the Missile Control Technology Regime when the U.S. lifts the sanctions imposed in 1991. But unless sales

of such missiles are stopped, it is altogether too likely that these delivery systems, over time, will be mated with weapons of mass destruction, especially in the Middle East and South Asia.

The breakup of the Soviet Union adds a new dimension to the proliferation problem. It threatens the reliability of Moscow's centralized command and control systems and could unleash materials that have hitherto been carefully controlled.

Defense industries that face cuts in military funding may try to stay in business by selling equipment, services, and materials in the international marketplace.

The need for hard currency could take precedence over proliferation concerns, particularly among republic and local governments with high concentrations of defense industry and little else that is marketable.

The tens of thousands of scientists and engineers associated with Soviet weapons programs constitute a potentially dangerous brain drain from the former Soviet republics. Only a fraction of these specialists, we think perhaps 1,000 to 2,000, can actually design nuclear weapons or run a program to develop and produce biological weapons.

But we know from experience that small numbers of key people count. Most of the potential immigrants will stay home and work for the betterment of their homeland, and others would prefer to settle in the West. Some, however, may be tempted to sell their expertise to Third World countries trying to acquire or improve special weapons capabilities.

The Middle East remains dangerously unstable, notwithstanding the coalition's victory in the Gulf war and the new and encouraging phase of negotiations in the Arab-Israeli confrontation.

Although Saddam Hussein's ability in the next several years to threaten the stability of the Gulf region and the world's oil supply has been crippled, Baghdad continues to pose a major problem. Over the years, Saddam built formidable programs in all four areas of weapons of mass destruction: nuclear, chemical, biological, and missiles. As long as international resolve to maintain sanctions, including U.N. inspections, remains firm, Saddam's efforts to rebuild his weapons programs will be sharply hampered, but the threat they pose continues to challenge us.

Desert Storm inflicted heavy damage on Iraq's special weapons programs. They will need time to recover. Nuclear weapons production will need the most time, but only a few years, because the infrastructure for the production of fissile materials must be rebuilt.

The infrastructure for the production of chemical weapons also was hit hard and will need rebuilding. But most of the production equipment was hidden before the bombing started. If U.N. sanctions were relaxed, Iraq could produce modest quantities of chemical agents almost immediately.

The biological weapons program was damaged, but critical equipment was hidden during the war. The Iraqis could produce BW materials in a matter of weeks of their decision to do so.

Substantial numbers of Scud missiles and production equipment remain. The time and cost to Iraq of reviving its missile program will depend on the continuation of the inspection regime and Saddam's ability to obtain critical equipment from abroad.

Turning to Iran, Tehran, despite the apparent pragmatism of President Rafsanjani, still poses a potential threat to its smaller neighbors and to the free flow of oil through the Gulf. It continues to support terrorism as an instrument of state policy, despite its role in securing the release of the hostages. And Tehran has embarked on an ambitious effort to develop its military and defense industries, including programs for weapons of mass destruction.

It shops Western markets for nuclear and missile technology, may turn to the republics of the former Soviet Union for technology and expertise, and increasingly has looked to Asian sources of military and technical aid, to North Korea for long-range Scud's and to China for missiles and nuclear-related technologies.

Syria—Damascus also has turned to North Korea for an extended range missile and apparently is seeking assistance from China and Western firms for an improved capability with chemical or biological warheads.

Libya's Qadhafi—his chemical weapons program has produced and stockpiled as much as 100 tons of chemical agents. Nor has Libya abandoned its long-term goal of extending its military reach across the eastern Mediterranean. It is shopping throughout the world for an alternative source of longer-range missiles.

Turning to Algeria, the Algerians have nearly finished building the nuclear reactor they bought from China. Both Algeria and China have assured us that the reactor will be used only for peaceful purposes, but we remain concerned about the secrecy of the original agreements and the lack of inspections.

Turning to South Asia, the intense suspicion between India and Pakistan, generated by four decades of confrontation and intermittent conflict, creates a risk of war through miscalculation or misunderstanding. For this reason, the arms race between these two countries remains a major concern. Not only do both countries have programs for the development of nuclear weapons and ballistic missiles, they have pursued chemical weapons as well.

We have no reason to believe that either maintains assembled or deployed nuclear bombs, but such weapons, we believe, could be assembled quickly. At the moment, a threat of a fourth Indo-Pakistani war seems to have diminished with the adoption of confidence-building measures and more frequent communication, but the danger remains.

North Korea's nuclear program is our greatest security concern in Northeast Asia. Pyongyang can support the development of nuclear weapons from the mining of uranium to the reprocessing of reactor fuel to recover plutonium. In December 1991, North and South Korea negotiated an historic agreement for a nuclear-free peninsula. Verification, however, including on-site inspection, remains to be worked out. And so far we have only had verbal assurances from the North on this point.

The value of the Korean agreements can be judged only by the inspection regime that North Korea ultimately accepts. If the agreement is supported by effective verification, including prompt implementation of IAEA safeguards, it will help meet our concerns about nuclear proliferation on the Korean peninsula.

Overall, however, our concerns about the North's nuclear effort extend beyond the Korean peninsula. We worry about the conse-



quences for stability in Northeast Asia if North Korea acquires nuclear weapons, and also about the possibility that Pyongyang might put these weapons and the technology that produced them into the international marketplace.

North Korea has invested heavily in the military and depends on exports for much of its hard currency. It has sold Scud's to several Middle Eastern countries and also has modified its own Scud's to give them a longer range. It has sold these to Iran and Syria.

In addition, the stability of the government after Kim Il-Sung passes from the scene is questionable. The North has a million-man army; nearly two-thirds of its ground combat forces are deployed in offensive formation within 60 miles of the demilitarized zone, just north of Seoul. In sum, the Korean peninsula remains a dangerous locality for international security.

Africa presents few direct threats to U.S. interests, but it remains volatile and troubled. U.S. military forces may be called on for emergency evacuations, as occurred in Liberia in 1990 and in Somalia last year. Moreover, persistent turmoil in several countries works against democratic and market tendencies and encourages meddling by such predatory outsiders as Libya.

In Sudan, the government's rigidly Islamist policies are prolonging the civil war. Iran's influence there is also worrisome.

The anarchy in Somalia is one of the world's worst humanitarian cases. Again, there are no indications that the situation will improve soon.

Chad is an ethnic tinderbox, perennially vulnerable to Muammar Qadhafi, the regional arsonist. Liberia is quiet now, thanks to the peacekeeping force deployed with U.S. help. But the fighting has spilled over into Sierra Leone and threatens to disrupt the stability of other neighboring states.

Mozambique is moving toward a political settlement, but the civil war continues to take a huge toll on civilians and to disrupt neighboring countries.

Yet there are some hopeful signs in Africa. We witnessed last year remarkable progress toward resolving longstanding conflicts in Ethiopia and Angola. And in South Africa, government and opposition have begun to work out a more equitable future for that racially divided country.

Moreover, in many parts of sub-Saharan Africa, countries facing economic disaster are turning to democracy and opening the way for vast improvements in the way Africans are governed. Elections in Zambia, Benin, Sao Tome, and Cape Verde already have led to peaceful transfers of power.

And pressure for democratic reforms is growing in Kenya and Zaire. But these positive tendencies confront awesome challenges from decades of misrule, economic disorder, and mounting demographic crisis of AIDS.

In Latin America, the big story is essentially positive. Democratic rule is in the ascendancy and the chronic conflicts of Central America are ending. But again we observe the paradoxical combination of positive and negative phenomena.

In Peru, the democratically elected government of Fujimori faces a combination of problems more threatening and intractable than those of any other democratic government in Latin America. It

confronts serious economic difficulties, two major insurgencies, daunting narcotics problems; more than 60 percent of the world's cocaine originates in Peru.

Sendero Luminoso, perhaps the world's most savage guerrilla-terrorist organization, has gained sway over large areas of the Peruvian countryside. Both Sendero and the Tupac-Amaru terrorist group are increasingly involved in narcotics trafficking. Both groups place U.S. citizens and installations at substantial risk.

The situation in Haiti remains highly unstable, and the political deadlock there threatens continued violence and a major, chronic refugee problem for the United States.

In Cuba, Castro is in an unprecedented bind. The halt in Soviet aid has devastated his economy. Factories are closing and growing numbers of people are being moved into agricultural work camps. Meanwhile, as opposition from human rights activists and other emerging pockets of dissent increases, the regime responds with more repression in an effort to remain in power. Such repression is likely only to magnify the hardships of the Cuban people and the explosion that eventually may occur.

I have described in some detail already the continuing threat to global stability and peace of the proliferation of weapons of mass destruction. As you know, this problem is one of our top priorities, and we in intelligence have made organizational changes to deal with it more effectively. The Nonproliferation Center we have formed will help us support government policy in a timely and effective fashion. But there are a couple of other global challenges that I should note.

Terrorism remains a threat in many countries. State sponsorship of terrorism has been declining because of political and economic penalties it incurs and the end of Soviet support for radical regimes and groups. On the other hand, terrorism by indigenous separatist and insurgent groups will continue to pose a serious threat to international stability and also to U.S. lives and property in parts of Europe, Latin America and Asia in coming years.

The political upheaval in Eastern Europe and the successor states of the former Soviet Union has created conditions favoring the birth of new, ethnic-based terrorist and paramilitary groups. Some already have appeared. Most would be unlikely purposely to attack U.S. targets. But they could threaten the orderly evolution of democratic and stable societies where we clearly have an interest.

We can foresee several potential terrorist trouble spots in coming years. Developments in the Arab-Israeli peace process, for example, are likely to stimulate attacks against various participants, including the United States, by groups opposed to the negotiations.

International narcotics traffic remains a major security concern of the United States and thus a major focus of our intelligence efforts. Eradication and interdiction measures in source countries, while partially effective, have not measurably reduced supplies, which continue to be more than adequate to meet demand. And traffickers are countering the effectiveness of record interdiction efforts, particularly against cocaine, by shifting their routes and tactics.

The international heroin trade is growing as sources of supply continue to diversify. Worldwide opium production has increased and is now many times the amount needed to meet Western demand. Southeast Asia accounts for almost 60 percent of the U.S. market. New opium production in Colombia poses an additional threat, as cocaine traffickers expand into heroin because of its higher profits and easier transport.

Eliminating the production of illegal drugs is nearly impossible. Crops are often produced in areas where governments have little or no control or where political instability or corruption impede enforcement.

The international drug control community is beginning to respond to the limitations of eradication and interdiction efforts by intensifying pressure on the drug trade's top leaders.

In conclusion, Mr. Chairman, I began my remarks by referring to a paradox. The classic superpower enemy is gone, but much of what he assembled is still there and is potentially dangerous.

I mention this again to highlight the point that while the collapse of communism has greatly reduced the chance of a major war, the world remains in a dangerously unstable state. The burden on the United States is heavy because nearly all the nations see us as a principal force for international peace and stability.

The American intelligence community is a major factor in dealing with the remaining threats to our interests and the challenges that lie ahead. U.S. intelligence helped the United States and the world get through half a century of the Cold War without a nuclear holocaust or defeat at the hands of the totalitarian forces.

Intelligence will continue to track the dangers and instabilities we face, especially in light of the huge arsenal left behind from the Cold War that may fall into irresponsible hands. We will continue using all the instruments at our disposal to collect and analyze information and provide warning about the dangers I have just described. The tools we employed to track the activities of the Soviet Union are equally useful against other targets.

The community also will intensify its attention to threats that have long been on the U.S. agenda: terrorism, narcotics trafficking and the proliferation of special weapons. And we will focus more sharply on the dynamics of the international economy and the implications of the technological revolution, both of which will have a great impact on the future well-being of Americans and those who share our values.

Intelligence will continue to be a crucial player in making possible arms control agreements through monitoring and assisting international peacekeeping efforts. Finally, we will be vigilant to alert policy makers to opportunities for shaping the international environment. We will look closely at the policy implications of intelligence analysis.

For example, in the estimates we prepare, our analysts are using their expertise to identify opportunities for advancing U.S. policies and identifying new ones, including examining the potential pitfalls of various courses of action.

This process is well under way, as manifested in the series of over a dozen national intelligence estimates published in the last several weeks.

Mr. Chairman, before turning the microphone over to General Clapper, I would like to close on a positive note. Although the world of the 1990s will remain a dangerous place, it is also an arena in which promise will often outweigh menace and in which opportunities to constructive action will outnumber the threats to our security.

Thank you, sir.

[The prepared statement of Mr. Gates follows:]

PREPARED STATEMENT BY HON. ROBERT M. GATES, DIRECTOR OF CENTRAL INTELLIGENCE

Mr. Chairman, members of the Armed Services Committee: I welcome this opportunity to discuss the threats to U.S. interests world-wide over the remainder of this decade.

We have witnessed in recent years a massive global transformation. The Cold War is over, the major military threat to the United States has receded, and the danger of war in Europe and of nuclear holocaust has vastly diminished. Many regional conflicts are coming to an end, particularly those conducted around the world through surrogates. And the forces of reform in what was the Soviet Union are ascendant.

On the other hand, we face a paradox as we confront new and expected challenges, as well as familiar concerns and risks. The demise of the Soviet system offers a promise of greater liberalization and economic transformation. International cooperation has increased. Yet the side effects of success in this long struggle will continue to have destabilizing and dangerous implications and will confront us with new and, in many cases, unexpected challenges: the sudden appearance of 15 new countries, in place of a single familiar empire, and enormous problems in all of them. In the process of disintegration now unfolding, the former Soviet Union faces internal crises and the possibility of large-scale civil disorder, while it continues to possess some 30,000 nuclear warheads, the most powerful of which are still aimed at us. And the subsidence of the superpower contest has allowed other conflicts to come to the fore in the former U.S.S.R. among various republic and ethnic groups.

Beyond the borders of Russia and the other newly sovereign republics lie other very real challenges to peace and international order and thus to the United States:

- The proliferation of nuclear, chemical, and biological weapons and related delivery systems. Over 20 states have or are acquiring weapons of mass destruction. These arsenals are often in the hands of unstable and unreliable governments. The most dangerous external effect of the Soviet break-up is to add fuel to this fire of proliferation—at least potentially.

- Ethnic and territorial disputes in Eastern Europe have risen to the surface and threaten political instability and civil war, despite promising prospects for the development of democratic institutions and market economics.

- Embattled Communist regimes remain in place in China, North Korea, Vietnam, and Cuba.

- The potential for conflict in the Middle East and South Asia—where many states import arms and develop weapons of mass destruction—remains high, despite some encouraging prospects for peacemaking in the wake of the Gulf war and the loss of the superpower patron of many states.

- Finally, although we can see an encouraging trend toward political pluralism in many parts of the world, the foundations of fledgling democratic systems are weak and could be undermined by regional conflict, sectarian hostility, and economic misery.

THE MILITARY PICTURE

General Clapper will describe in greater detail the remaining conventional and strategic forces of the former Soviet Union. My brief characterization of these forces is that the threat to the United States of deliberate attack from that quarter has all but disappeared for the foreseeable future.

(On one hand:

— The capabilities of the strategic forces are being significantly reduced. Modernization programs are likely to be delayed or abandoned, and training will be cut back.

— The readiness of conventional forces is at the lowest level in many years. Naval deployments continue to decline from already reduced levels, and inadequate training is degrading the combat capability of the general purpose forces.

On the other hand:

— We cannot ignore the implications of the thousands of nuclear weapons in Russia, Ukraine, Belarus, and Kazakhstan. Tactical weapons are being withdrawn to secure storage sites in Russia, and all parties have agreed that command and control of strategic nuclear weapons should be maintained, but the viability of the Commonwealth of Independent States, in whose name these weapons are controlled, is not certain.

— Over the longer term, if the democratic forces in the Commonwealth do not prevail, a new military threat could reemerge from the region.

Internal to the states of the former Soviet Union, the transition to democracy and a market economy obviously is difficult. The Russian economy continues to spiral downward. Although it is too early to gauge their prospects, Yeltsin's market reforms have not yet reversed this trend. Privation and public anger at painful reforms could—with the disintegration of the armed forces and ethnic conflict—combine to provoke civil disorder over the next several months.

If Yeltsin's reforms have not put affordable goods on the shelves by spring, his political position, despite the large reservoir of public support for him, will diminish, as will his ability to push ahead with economic reform. Moreover, the economic and social challenges facing Russia and the other newly independent states of the region are so great that their governments could be overwhelmed before democracy and market reform can take root. For these reasons, the prognosis for the former Soviet Union is clouded at best.

In Eastern Europe, progress toward democracy and free markets is obstructed by harsh economic realities, turmoil in the Commonwealth, or the difficulty antagonistic groups have in compromising and cooperating with one another. Ethnic tensions are reemerging. The conflict in Yugoslavia is illustrative of the force of ethnic rivalry; we should hope, but cannot be confident, that Yugoslavia is unique in its propensity for violence.

As in the past, the Balkans have again become the least stable part of Eastern Europe. The anti-Communist revolutions of Albania and Romania are incomplete. Emerging from the breakup of Yugoslavia is a checkerboard of insecure states that will seek ties with Western Europe and with the United States to protect them from antagonistic neighbors. The danger of substantial ethnic strife in or among these new states—in the worst case—could spill over into Hungary, Bulgaria, and Albania, whose fragile governments would be hard put to cope with it.

#### PROLIFERATION ISSUES: AN OVERVIEW

The steady and worrisome growth in the proliferation of nuclear, biological, and chemical weapons around the world is of gravest concern. For decades, the international community has worked from the premise that the more countries possessing these weapons, the greater the likelihood that they will be used. Of what once were hostile states, only China and the successors of the former Soviet Union now have the physical capability to strike the United States directly with weapons of mass destruction. We do not expect direct threats to the United States to arise within the next decade. Nonetheless, the threat to Europe, the Middle East, and Asia is real and increasing:

— Several countries have missiles that could carry nuclear warheads and threaten U.S. interests, forces or allies.

— Most major Middle Eastern countries have chemical weapons development programs, and some already have weapons that could be used against civilians or poorly defended military targets. Most have not yet equipped their delivery systems to carry weapons of mass destruction. Over the next decade, however, we expect such weapons to become more widespread from North Africa through South Asia if international efforts fail to curtail this proliferation.

— North Korea and China have sold other countries longer range missiles and the technology to produce them. China has agreed to observe the guidelines of the Missile Control Technology Regime when the United States lifts the sanctions imposed in 1991. But unless sales of such missiles are stopped, it is altogether too likely that these delivery systems, over time, will be mated with weapons of mass destruction, especially in the Middle East and South Asia.

The breakup of the Soviet Union adds a new dimension to the problem of proliferation:

- It threatens the reliability of Moscow's centralized command and control systems and could unleash materials that have hitherto been carefully controlled.

- Defense industries that face cuts in military funding may try to stay in business by selling equipment, services, and materials in the international marketplace.

- The need for hard currency could take precedence over proliferation concerns, particularly among republic and local governments with high concentrations of defense industry and little else that is marketable.

- The tens of thousands of scientists and engineers associated with Soviet weapons programs constitute a potentially dangerous "brain drain" from the former Soviet republics. Only a fraction of these specialists can actually design nuclear weapons or run a program to develop and produce biological weapons. But we know from experience that small numbers of key people count. Most of the potential emigrants will stay home and work for the betterment of their homeland, and others would prefer to settle in the West. Some, however, may be tempted to sell their expertise to Third World countries trying to acquire or improve special weapons capabilities.

#### THE POTENTIAL FOR CONFLICT ELSEWHERE IN THE WORLD

The Middle East remains dangerously unstable, notwithstanding the coalition's victory in the Gulf war and the new and encouraging phase of negotiations in the Arab-Israeli confrontation.

#### IRAQ

Although Saddam Hussein's ability in the next several years to threaten the stability of the Gulf region and the world's oil supply has been crippled, Baghdad continues to pose a major challenge. Over the years, Saddam built formidable programs in all four areas of weapons of mass destruction—nuclear, chemical, biological, and missiles. As long as international resolve to maintain sanctions, including U.N. inspections, remains firm, Saddam's efforts to rebuild his weapons programs will be sharply hampered, but the threat they pose continues to challenge us.

Desert Storm inflicted heavy damage on Iraq's special weapons programs. They will need time to recover:

- Nuclear weapons production will need the most time, but only a few years, because the infrastructure for the production of fissile material must be rebuilt.

- The infrastructure for the production of chemical weapons also was hit hard and will need rebuilding. But most of the production equipment was hidden before the bombing started. If U.N. sanctions were relaxed, Iraq could produce modest quantities of chemical agents almost immediately.

- The biological weapons program was damaged, but critical equipment was hidden during the war. The Iraqis could produce BW materials in a matter of weeks of their decision to do so.

- Substantial numbers of Scud missiles and production equipment remain. The time and cost to Iraq of reviving its missile program will depend on the continuation of the inspection regime and Saddam's ability to obtain critical equipment from abroad.

#### IRAN

Tehran—despite the apparent pragmatism of President Rafsanjani—still poses a potential threat to its smaller neighbors and to the free flow of oil through the Gulf. It continues to support terrorism as an instrument of state policy—despite its role in securing the release of hostages. And Tehran has embarked on an ambitious effort to develop its military and defense industries, including programs for weapons of mass destruction. It shops Western markets for nuclear and missile technology, may turn to the republics of the former Soviet Union for such technology and expertise, and increasingly has looked to Asian sources for military and technical aid—to North Korea for long-range Scuds and to China for missiles and nuclear-related technologies.

#### SYRIA

Damascus also has turned to North Korea for an extended range missile and apparently is seeking assistance from China and Western firms for an improved capability with chemical or biological warheads.

## LIBYA

Qadhafi's chemical weapons program has produced and stockpiled as many as 100 tons of chemical agents. Nor has Libya abandoned its long-term goal of extending its military reach across the eastern Mediterranean; it is shopping throughout the world for an alternative source of longer range missiles.

## ALGERIA

The Algerians have nearly finished building the nuclear reactor they bought from China. Both Algeria and China have assured us that the reactor will be used only for peaceful purposes, but we remain concerned about the secrecy of the original agreements and the lack of inspections.

## SOUTH ASIA

The intense suspicion between India and Pakistan—generated by four decades of confrontation and intermittent conflict—creates a risk of war through misunderstanding or miscalculation. For this reason, the arms race between these two countries remains a major concern. Not only do both countries have programs for the development of nuclear weapons and ballistic missiles, they have pursued chemical weapons as well. We have no reason to believe that either maintains assembled or deployed nuclear bombs, but such weapons, we believe, could be assembled quickly. At the moment, the threat of a fourth Indo-Pakistani war seems to have diminished with the adoption of confidence-building measures and more frequent communication, but the danger remains.

## EAST ASIA

North Korea's nuclear program is our greatest security concern in Northeast Asia. Pyongyang can support the development of nuclear weapons from the mining of uranium to the reprocessing of reactor fuel to recover plutonium. In December 1991, North and South Korea negotiated an historic agreement for a nuclear-free peninsula. Verification, however, including on-site inspection, remains to be worked out. And so far we have had only verbal assurances from North Korea on this point.

The value of the Korean agreements can be judged only by the inspection regime that North Korea ultimately accepts. If the agreement is supported by effective verification, including prompt implementation of IAEA safeguards, it will help meet our concerns about nuclear proliferation on the Korean peninsula. Overall, however, our concerns about the North's nuclear effort extend beyond the peninsula itself. We worry about the consequences for stability in Northeast Asia if North Korea acquires nuclear weapons and also about the possibility that Pyongyang might put these weapons, and the technology that produced them, into the international marketplace.

North Korea has invested heavily in the military and depends on exports for much of its hard currency. It has sold Scuds to several Middle Eastern countries and also has modified its Scuds to give them a longer range; it has sold these to Iran and Syria.

In addition, the stability of the government after Kim Il-Sung passes from the scene is questionable. The North has a million-man army; nearly two-thirds of its ground combat forces are deployed in offensive formation within 60 miles of the demilitarized zone, just north of Seoul. In sum, the Korean peninsula remains a dangerous locality for international security.

## AFRICA

Africa presents few direct threats to U.S. interests, but it remains volatile and troubled. U.S. military forces again may be called on for emergency evacuations, as occurred in Liberia in 1990 and in Somalia in 1991. Moreover, persistent turmoil in several countries works against democratic and free market tendencies and encourages meddling by such predatory outsiders as Libya.

— In *Sudan*, the government's rigidly Islamist policies are prolonging the civil war. Iran's influence also is worrisome.

— The anarchy in *Somalia* is one of the world's worst humanitarian crises. Again, there are no indications that the situation will improve soon.

— *Chad* is an ethnic tinderbox, perennially vulnerable to Muammar Qadhafi, the regional arsonist.

— *Liberia* is quiet now, thanks to the peacekeeping force deployed there with U.S. help, but the fighting has spilled over into Sierra Leone and threatens to disrupt the stability of other neighboring states.

— *Mozambique* is moving toward a political settlement, but the civil war continues to take a huge toll on civilians and to disrupt neighboring countries.

Yet there are hopeful signs in Africa. We witnessed last year remarkable progress toward resolving longstanding conflicts in Ethiopia and Angola. And in South Africa, government and opposition have begun to work out a more equitable future for that racially divided country. Moreover, in many parts of Sub-Saharan Africa, countries facing economic disaster are turning to democracy and opening the way for vast improvements in the way Africans are governed. Elections in Zambia, Benin, Sao Tome, and Cape Verde already have led to peaceful transfers of power. And pressure for democratic reforms is increasing in Kenya and Zaire. But these positive tendencies confront awesome challenges from decades of misrule, economic disorder, and the mounting demographic crisis of AIDS.

#### LATIN AMERICA

In Latin America, the big story is essentially positive: Democratic rule is in the ascendancy, and the chronic conflicts of Central America are ending. But again we observe the paradoxical combination of positive and negative phenomena.

In *Peru*, the democratically elected Fujimori administration faces a combination of problems more threatening and intractable than those of any other democratic government in Latin America. It confronts serious economic difficulties, two major insurgencies, and daunting narcotics problems; more than 60 percent of the world's cocaine originates in Peru.

Sendero Luminoso, perhaps the world's most savage guerrilla-terrorist organization, has gained sway over large areas of the Peruvian countryside. Both Sendero and the Tupac-Amaru terrorist group are increasingly involved in narcotics trafficking. Both groups place U.S. citizens and installations at substantial risk.

The situation in *Haiti* remains highly unstable. The political deadlock there threatens continued violence and a major, chronic refugee problem for the United States.

In *Cuba*, Castro is in an unprecedented bind. The halt in Soviet aid had devastated his economy. Factories are closing, and growing numbers of people are being moved into agricultural work camps. Meanwhile, as opposition from human rights activists and other emerging pockets of dissent increases, the regime responds with more repression in an effort to remain in power. Such repression is likely only to magnify the hardships of the Cuban people and the explosion that eventually may occur.

#### GLOBAL SECURITY ISSUES

I have already described in some detail the continuing threat to global stability and peace of the proliferation of weapons of mass destruction. As you know, this problem is one of our top priorities, and we in intelligence have made organizational changes to deal with it more effectively. The Nonproliferation Center we have formed will help us support our government's policy in timely and effective fashion.

But we face other global challenges:

#### TERRORISM

Terrorism remains a threat in many countries. State sponsorship of terrorism has been declining because of the political and economic penalties it incurs and the end of Soviet support for radical regimes and groups. On the other hand, terrorism by indigenous separatist and insurgent groups will continue to pose a serious threat to international stability and also to U.S. lives and property in parts of Europe, Latin America, and Asia in coming years.

The political upheaval in Eastern Europe and the successor states of the former Soviet Union has created conditions favoring the birth of new, ethnic-based terrorist and paramilitary groups. Some already have appeared. Most would be unlikely purposely to attack U.S. targets. But they could threaten the orderly evolution of democratic and stable societies in which we clearly have an interest.

We can foresee several potential terrorist trouble spots in coming years. Developments in the Arab-Israeli peace process, for example, are likely to stimulate attacks against various participants, including the United States, by groups opposed to the negotiations.

#### NARCOTICS

International narcotics traffic remains a major security concern of the United States and thus a major focus of our intelligence efforts. Eradication and interdiction measures in source countries, while partially effective, have not measurably re-



duced supplies, which continue to be more than adequate to meet demand. And traffickers are countering the effectiveness of record interdiction efforts—particularly against cocaine—by shifting their routes and tactics.

The international heroin trade is growing as sources of supply continue to diversify. World-wide opium production has increased and is now many times the amount needed to meet Western demand. Southeast Asia accounts for almost 60 percent of the U.S. market. New opium production in Colombia poses an additional threat as cocaine traffickers expand into heroin because of its higher profits and easier transport.

Eliminating the production of illegal drugs is nearly impossible. Crops are often produced in areas where governments have little or no control or where political instability and corruption impede enforcement. The international drug control community is beginning to respond to the limitations of eradication and interdiction efforts by intensifying pressure on the drug trade's top leaders.

#### CONCLUSION

Mr. Chairman, I began my remarks by referring to a paradox, the classic superpower enemy has gone, but much of what he assembled is still there and is potentially dangerous. I mention this again to highlight the point that, while the collapse of Communism has greatly reduced the chance of a major war, the world remains in a dangerously unstable state. The burden on the United States is heavy because nearly all nations see us as the principal force for international peace and stability.

The U.S. intelligence community is a major factor in dealing with the remaining threats to our interests and the challenges that lie ahead. U.S. intelligence helped the United States and the world get through half a century of Cold War without a nuclear holocaust or defeat at the hands of totalitarian forces.

— Intelligence will continue to track the dangers and instabilities we face, especially in light of the huge arsenal left behind from the Cold War that may fall into irresponsible hands. We shall continue, using all the instruments at our disposal, to collect and analyze information and to provide warning about the dangers I have just described. The tools we employed to track the activities of the Soviet Union are equally useful against other targets.

— The intelligence community also will intensify its attention to threats that have long been on the U.S. agenda—terrorism, narcotics trafficking, and the proliferation of special weapons. And it will focus more sharply on the dynamics of the international economy and the implications of the technological revolution, both of which will have a great impact on the future well being of Americans and those who share our values.

— Intelligence will continue to be a crucial player in making possible arms control agreements—through monitoring—and assisting international peacekeeping efforts.

— Finally, we will remain vigilant to alert policymakers to opportunities for shaping the international environment. We will look closely at the policy implications of intelligence analysis. For example, in the estimates we prepare, our analysts are using their expertise to identify opportunities for advancing U.S. policies and identifying new ones, including examining the potential pitfalls of various courses of action. This process is well under way, as manifested in the series of over a dozen national intelligence estimates published in the last several weeks.

Mr. Chairman, I would like to close on a positive note. Although the world of the 1990s will remain a dangerous place, it is also an arena in which promise will often outweigh menace and in which opportunities for constructive action will outnumber the threats of our security.

Chairman NUNN. Thank you very much, Mr. Gates. We appreciate your thorough analysis of around the world. It is very helpful. General Clapper?

#### STATEMENT OF LT. GEN. JAMES R. CLAPPER, JR., USAF, DIRECTOR, DEFENSE INTELLIGENCE AGENCY

General CLAPPER. Mr. Chairman, Senator Warner, distinguished members of the committee, I am pleased to offer defense intelligence perspectives on the military threat to U.S. security interests in the next decade. In doing so, I plan to follow the same general outline as Mr. Gates, but with specific focus on the military dimen-

sion. I will also comment on how defense intelligence can help policy makers identify and exploit opportunities to influence developments positively.

A year ago, my predecessor, General Ed Soyster, appeared here during a period of unprecedented global change. Communist rule in Eastern Europe had just collapsed; the Warsaw Pact stood on the brink of formal dissolution; U.S. and coalition forces were engaged in Operation Desert Storm; and Soviet forces were cracking down on Baltic independence, even as the union itself was disintegrating.

Last month's formal end to the U.S.S.R. fundamentally changed the national security environment. The elimination of Communist rule in the former U.S.S.R. and the emergence of independent successor states have removed, for at least the near term, the potential for a unified military challenge and threat to the West. I see virtually no likelihood of premeditated Russian or Commonwealth military aggression against the United States and its allies. The intentions of the new Commonwealth states toward the West have clearly changed, and overall, the military capabilities of Russia and the successor states are in profound decline.

Nonetheless, as the DCI points out, many of the positive changes we have witnessed carry with them the seeds of new problems and potential threats. I am speaking here of the uncertain future of the former Soviet Union. Also, many longstanding problems, such as nuclear proliferation, have taken on new dimensions that pose additional challenges for defense intelligence.

Over the next 10 years, I believe the most serious threats to U.S. national security interests will fall into two broad categories:

First, the potential for military conflict in a number of regional flashpoints, particularly the Middle East, the Korean peninsula, and South Asia. Conflict in these regions no longer necessarily risks superpower confrontation, of course, but the decline of East-West tensions has removed the tempering mechanism that often helped keep these situations under control.

Second, transnational and unconventional threats, such as weapons proliferation, terrorism, and narcotics trafficking. I will address these on a regional basis.

Clearly, an orderly transition of the former Soviet Union to independent states with stable democratic institution is critical to the security of the United States and its allies. Progress so far has been remarkable, but the enormity of the social, economic, and political problems these new states face suggests that real dangers lie ahead.

In addition to the political and economic challenges discussed by Mr. Gates, Commonwealth leaders are also under pressure to downsize the military establishment and reorient an industrial apparatus and economy long structured for military competition and war.

To date, we see little actual progress in the conversion of the defense industry. Currently, officials carried over from the previous regime remain in control. Ultimately, defense industries will be considerably downsized, but there will remain a viable capability to produce sophisticated weapons. Increased sales of military equipment are viewed positively in Russia and other states as a critical source of hard currency earnings. The future level of force modern-

ization and defense spending will be a key indicator of the commitment which Yeltsin and other Commonwealth leaders have to transforming their militarized economies and instituting market mechanisms.

Over the last few years, defense spending has declined by approximately one-quarter in real terms. As best we can gauge, weapons procurement has also declined significantly over the past 3 years, affecting virtually all categories of equipment. For the 1992 defense budget, leaders emphasize improving military pay and living conditions, and will make additional large cuts in weapons procurement.

For example, in Russia's recently announced defense budget proposal for the first quarter of this year, procurement appears to have been cut by about 80 percent. Yeltsin and other officials have tried to limit cuts in military research and development, but R&D may be reduced by as much as 30 percent from last year.

Chairman NUNN. General, could I clarify that point on procurement, because I think there will be considerable confusion on it. Are you talking about new procurement, new orders, or are you talking about shutting down 80 percent of existing procurement, because I think there is a big distinction in that?

General CLAPPER. I think the base there is what was originally envisioned from previous years' plans, and it is based on that reduction.

Chairman NUNN. All the Russians I have talked to have made a distinction between new orders and momentum.

General CLAPPER. I think this is more in the category of momentum.

Chairman NUNN. You are talking about 80 percent procurement of what was formerly there—in other words, they have 20 percent of the procurement they had a couple of years ago.

General CLAPPER. Yes, sir. Well, that would be at the upper ranges, sir, on the order of actually less than 20 percent.

Senator WARNER. Once again it goes to new procurement or momentum? You said the 80 percent goes to momentum. It seemed to me it would be to new orders. I think the question is very pertinent. I ask you to rethink your response.

Chairman NUNN. In other words let us say a factory was producing 1,000 units of military equipment 2 years ago. Are you saying that now that factory is producing on average 200 units?

General CLAPPER. Yes, sir.

Chairman NUNN. So you are talking about real cuts in actual production.

General CLAPPER. Right.

Chairman NUNN. Thank you.

Senator WARNER. What would the cuts be in the new orders then, even more drastic?

General CLAPPER. Well, I would guess, sir, based on what we project, it would probably be even more drastic than that. I am not sure we can say with much specificity.

Chairman NUNN. I have been told by some 100 percent on new orders, that there are basically no more new orders coming in.

General CLAPPER. Well, there may be certain selected classes of weapons, which I will speak to later, that at least the intent may

be to attempt to field some, particularly in the strategic arena, although we think that would be much reduced as well.

Chairman NUNN. Okay, thank you.

General CLAPPER. Yeltsin and other officials have tried to limit cuts in military research and development, but R&D may be reduced by as much as 30 percent from last year, as I said.

Paramount among our concerns is how the former Soviet armed forces will be managed through its current crisis. This is a military under extraordinary stress, caught between pressures from above and below. Its continued cohesion and reliability, given its access to arms and custody of nuclear weapons, are fundamental to the stable transition we hope for. Pressures on it from above include the political fragmentation of the union, and the attendant carving up of the armed forces by the successor states. The military, particularly the officer corps, is questioning its very role in society: who is it defending, and against what threat? There are different threat perceptions among the successor states and consequently little agreement on security priorities, doctrines, strategies, or force structure requirements.

Pressures from below are also increasing the disaffection of the once-privileged military. Problems with food supplies, housing, and pay, combined with the prospect of huge future cuts in military manpower, are adversely affecting morale and readiness. We believe, however, these problems have not reached a point where the military would act on its own to restore its position and intervene against civilian authority.

Another priority for us is monitoring the security of the approximately 30,000 nuclear weapons that remain in the inventory of the Commonwealth states. Of these, some 9,000 strategic weapons are capable of being employed against the United States with little warning. The remaining 21,000 are maintained in well-secured storage facilities in the big four states of Russia, Belarus, Ukraine, and Kazakhstan, and they are in the process of being consolidated in Russia.

In addition to robust physical security and tight centralized control, nuclear weapons have use constraint devices and in many cases sophisticated coded locking mechanisms that would prevent or significantly delay their use by unauthorized personnel. Overall, given these stringent controls, I believe the threat of seizure and use of nuclear weapons is low.

The Commonwealth members have agreed that all tactical nuclear weapons will be withdrawn to Russia by July, and they seem to be making good progress towards that goal. However, in the end, the security of stored nuclear weapons in Russia depends on the preservation of a stable political system and a cohesive military.

The events of last August raised to national attention the question of whose finger is on the nuclear button. The Minsk Accords signed last month codified the strong centralized control existing over nuclear weapons. Now, under Commonwealth provisions, the Russian President is dominant in the nuclear release process. The Commonwealth commander in chief of the armed forces, Shaposhnikov, serves as his principal military advisor. The Russian President is obliged to obtain political agreement with the leaders of Be-

larus, Ukraine, and Kazakhstan, and consult with other Commonwealth Heads of State, prior to employing strategic nuclear forces.

In terms of the key actors and technical constraints built into the nuclear release process, little has changed from the Gorbachev era, other than the arrival of Boris Yeltsin at the apex of the system.

I will now briefly discuss the status of the armed forces in the context of the new Commonwealth, and provide an assessment of their military capabilities. As I noted earlier, all 11 member states have agreed on the need to maintain unified control over strategic nuclear forces. Member states are seriously divided, however, over the issue whether to transfer former Soviet forces on their territory to Commonwealth control, or to develop fully independent armed forces under national control. Resolving these differences will not be easy, as demonstrated by the controversy between Russia and the Ukraine over division and control of the Black Sea Fleet.

Over the next year, we expect that a loose defense coalition will be created in which member states participate at different levels. Many states will press ahead in establishing independent conventional forces. As this occurs, Russia, of course, will be pressured to form its own army. In any event, the military accords are transitional. We are clearly watching an unrehearsed drama unfold.

Trends in strategic forces include:

A slowed pace for strategic nuclear force modernization and operations. We believe only two new ballistic missiles are expected to become operational during this decade, only a fraction of the previous rate.

While road-mobile SS-25 ICBMs continue to enter the force, field training levels are down compared to a year ago, probably due to supply shortages and security concerns. However, conversion of the hard-target capable SS-18 ICBM to the more modern version with enhanced accuracy and lethality continues.

No SSBNs are under construction and none are anticipated before the end of the decade.

Modernization of the heavy bomber force is essentially complete, and we expect little further production of strategic bombers during this decade.

Overall, the number of strategic platforms will be reduced as older SSBNs are dismantled and ICBM silos destroyed.

Strategic defense force programs have also slowed, although no program cancellations have been confirmed. The unwillingness of some former republics to participate in the unified air defense network will probably result in a move away from barrier defenses along the entire periphery toward a point defense of critical installations in Russia itself.

It is too early to determine whether Russia is committed to continuing the very costly deep-underground leadership protection program it has sustained, but if ongoing activity does not cease or significantly slow during the next 6 months, we would conclude that the new government still assigns high priority to the survival of the leadership during and after a nuclear war.

Russia and other successor states have pledged to abide by the START agreement, but confusion over treaty requirements, logisti-

cal problems, and financial constraints will probably lead to delays in meeting some of the implementation provisions. We will also expect that Russia will seek to negotiate even deeper cuts in strategic forces, below the 5,000-weapon limit which Gorbachev unilaterally pledged.

General purpose force trends include extensive reductions and low levels of combat readiness. Despite its interest in preserving a highly capable, ready, and modern force, the general staff will have much less influence over military policy than in the past. Commonwealth military leaders will have to adopt new strategies and war plans based on reduced forces and manpower, and the absence of the United States or NATO as a perceived threat.

Enforcement of the draft will continue to be uneven, and the total number of draftees will decline further. As a result, military manpower levels we project will drop to between approximately 2 million and 2.5 million by the end of this year from a current total of more than 3 million.

Near-term efforts in all the former republics, however, will be devoted to the downsizing of the former Soviet military. For example, Ukraine's parliament authorized a force of over 400,000, but military authorities in Kiev now talk about a force of only 100,000.

The number of active ground force divisions in the Commonwealth states probably will be reduced by more than half to on the order of between 50 and 70 during the course of the decade, not only as a result of CFE, but also due of course to economic imperatives. Air and Naval Force reductions will also be sizable, but the resultant force will consist of more modern equipment. Naval missions will focus on coastal defense and protection of the much smaller ballistic missile submarine force.

CFE implementation may be even more problematic than for START. Each of the newly independent states in the ATTU zone will have to ratify the treaty and conduct negotiations among themselves to determine their appropriate shares of equipment limitations and reduction obligations.

In anticipation of CFE, the Soviets have moved large quantities of tanks, armored personnel carriers, and artillery into depot storage east of the Urals. We had earlier concerns that this effort was an attempt to shield this equipment from CFE destruction requirements and to preserve a substantial force-generation potential. However, in light of recent events, we expect much of this equipment to degrade, substantially extending the time required to regenerate military forces. Reductions in the defense industrial base and conversion of industry will also deny them the capability to rapidly convert the economy to wartime production.

I would sum up the residual military posture of the former Soviet Union as follows:

It will have no capability to directly threaten the United States or NATO with large-scale conventional military operations. Russia will remain, however, the single largest military power on the European continent; and it will still possess a formidable strategic force with the capability potentially to threaten the United States.

The Eastern European countries continue to shift their military establishments from postures dictated by defunct Warsaw Pact requirements to smaller forces reconfigured and deployed to meet

purely national and essentially defensive needs. Most governments in the region are making steady progress in reforming their armed forces to fit into western-style democracies and, throughout the area, major reductions in force structure are well under way.

Despite these positive trends, however, instability in Eastern Europe and the dangers of military clashes, as already discussed by DCI Gates remain a major concern. Because of their fears of regional instability, including the uncertain outcome of events in the former Soviet Union, many East European states are looking for close ties to Western security organizations, to include NATO.

In the Middle East, lasting regional stability will be difficult to achieve and our military intelligence effort will focus, in large part, on the resurgence of Iraqi and Iranian military power and nuclear proliferation.

Over the next 10 to 15 years, Iran and Iraq will continue their competition for hegemony in the Gulf and will seek to strengthen their military capabilities. A secular state in Iraq, and a religious state in Iran are inherently at cross purposes. This enmity is likely to lead to situations in which war is a distinct possibility. A renewal of warfare in the Gulf would once again threaten world oil supplies.

The Arab States of the Gulf will require outside assistance to successfully defend against an invasion by their larger neighbors. Without continued sanctions and intrusive international inspections—and these are crucial caveats—I believe Iraq would be able to develop a deliverable nuclear weapon in a few years, and certainly, at the latest, by the end of the decade.

Other regional players will probably acquire delivery capabilities, especially ballistic missiles. Over the next 10 years, Middle East ballistic missiles may extend a nuclear threat beyond the region to parts of Europe and Eurasia.

Chairman NUNN. Could you also comment in open session on the analysis you made of what you believe Iraq's capability would be? How about the Iranians? Could you comment on that in open session in terms of nuclear weapons, the probability of it in the time frame?

General CLAPPER. I think, sir, a general comment is that the Iranians are interested as well, and I think we are confronted with that specter at least within the same time frame. That is probably all that I should say here.

Chairman NUNN. Okay.

General CLAPPER. Despite recent moves by Qadhafi to disassociate his government from support of terrorist activities, many of the groups trained in Libya have only shifted their bases south to mask Libya's direct association with their operations. Libyan attempts to develop special weapons continue. For example, production of chemical warfare agents is still ongoing at Rabta.

In South Asia, tensions between India and Pakistan remain serious. They both maintain large military establishments. Should a fourth round of hostilities break out between the two, nuclear weapons could be employed by either country. Compounding the problem, both may deploy short-range ballistic missiles by the end of the decade.

The situation on the Korean peninsula poses the most serious security problem we face in East Asia. I think the next 3 to 4 years here will be crucial. North Korea, whose leaders' paranoid outlook has, given the profound changes in the world, developed into an even greater siege mentality, intends to preserve what it considers to be an option to unify the peninsula by force. It is unclear whether North Korea would actually exercise this option, or only use it to strengthen its leverage in negotiations with South Korea. Many factors will condition this, including the military balance on the peninsula, and, I think quite importantly, economic pressures on the north.

Throughout the decade, the quantitative military balance will continue to favor the north. Despite continuing efforts in the near term, the south will not achieve an independent capability to defend itself. It will remain dependent on U.S. support in critical areas such as intelligence, logistics, naval warfare, and air support.

We, too, are most concerned about North Korea's continuing nuclear program. Based on the scope and pace of their efforts, we judge North Korea could have a nuclear weapon within 2 or 3 years. Absent an effective inspection regime, I have no confidence that they would abandon their nuclear weapons program. I remain suspicious of their intentions, and I can assure you that we will continue to monitor their behavior closely.

Defense intelligence has concerns about Chinese military capabilities and intentions as well. Chinese ballistic missiles armed with weapons can threaten the U.S. interests around the world.

Chinese arms sales and proliferation policies are also worrisome. China is currently assisting many of the nations that we estimate will acquire a ballistic missile capability by the end of the decade. Because of its past record of proliferation, China's involvement in the nuclear energy programs of several countries also bears close monitoring.

Before ending the discussion of Asia, I must address briefly a vital issue of moral, as well as national security concern—that is the fate of American servicemen who remain unaccounted for as a result of the war in Southeast Asia. As the lead agency for this problem within the intelligence community, DIA remains committed to resolving the POW/MIA issue. We are actively supporting the President's POW/MIA Emissary and the newly formed Joint Task Force under the operational control of the Commander in Chief, Pacific.

I will ensure DIA is fully responsive to requests for information from the Congress. My agency is dedicated to achieving the fullest possible accounting for our missing personnel.

Sub-Saharan Africa, to move there, is perhaps the most unstable region in the Third World and will continue to be so over the next decade. We must be prepared for various contingency operations. Undoubtedly, we will face more crises, such as we saw in Liberia, in which Americans must be rescued, either by unilateral action or in conjunction with our allies.

In the future, the U.S. military may be called upon again to support peacekeeping and cease-fire monitoring operations. Further, changes in drug trafficking patterns suggest our intelligence sup-



port to the U.S. counternarcotics effort will have to include greater emphasis on the African continent.

In Latin America, the recent strengthening of democratic governments, progress in resolving some insurgencies, and the end of Soviet influence, are all positive developments. But serious problems remain.

Narcotics trafficking now touches every Latin American country. Latin American governments are cooperating with us in their counternarcotics efforts. They are increasing use of their armed forces in providing logistic and other support to law enforcement organizations.

Developments in Cuba will also pose an increasing security problem. Rapid economic deterioration and growing disorder could produce another flood of refugees to the United States. Such conditions could also trigger widespread violence on the island, posing a potential threat to U.S. forces at the Guantanamo Naval Base. The Cuban military is also suffering from shortages, but Castro recognizes that they are the only force capable of removing him from power and will continue to favor them to the extent possible.

Some insurgencies and terrorist action will also persist in the Latin American region, especially in Peru and Colombia, where, as Mr. Gates has noted, active involvement in drug trafficking is helping to fund guerrilla operations. Although Cuban support has virtually ceased, guerrilla warfare threats to friendly democratic governments will remain.

The proliferation of nuclear, chemical, biological, and advanced conventional weaponry is growing higher on my list of priorities as well. As Mr. Gates has testified, some 20 countries already have or are attempting to acquire nuclear, biological, or chemical weapons, and I am concerned that our list of countries will certainly expand in the future.

Many Third World countries are developing dual-use technologies that could be diverted for the production of such weapons. These include technologies associated with nuclear power, pesticides, chemical fertilizers, and vaccines.

As director of military intelligence, I am also concerned about the proliferation of conventional weaponry of ever-increasing sophistication to some of the most unstable parts of the world, causing a potential threat to our forces or those of our allies. All of this obviously underscores the need for continuing close coordination between intelligence and policy in confronting these threats.

In your letter inviting me to appear here today, Mr. Chairman, you also expressed an interest in the role defense intelligence can play in alerting decision makers to opportunities for shaping the international environment in a manner favorable to U.S. interests.

Recent actions by the Secretary of Defense and you and your colleagues in the Congress to reorganize Defense Intelligence and significantly enhance DIA's management and oversight roles are very important, I feel, in this regard. In fact, I have made implementation of this series of reforms the centerpiece of my agenda at DIA. The defense intelligence community is adjusting to the realities of an increasingly complex worldwide military threat, the declining availability of overseas bases and staging areas, and reduced resources.

I am striving to focus the defense intelligence community on improving our data bases on the military forces of potential adversaries—particularly the so called bad actors. I will seek to sharpen the community's ability to conduct sophisticated assessments of our potential adversaries' military capabilities, and to assume a greater role in the development of national intelligence estimates. I am also streamlining our methods for producing and disseminating finished intelligence products.

DIA was recently accorded an expanded role in managing the DOD human intelligence, or HUMINT program, and we are striving to complete a new HUMINT plan soon that will better define this role and the program's collection priorities. Always critical to the process of early detection and foreign trend reporting, human intelligence will grow in importance and may soon represent the military's only eyes and ears in some very volatile and important regions.

DIA's key functional managers have now been assigned additional responsibilities that will guarantee their substantive participation in the preparation, review, approval, and supervision of General Defense Intelligence Program budgets and programs in their areas.

The Armed Forces Medical Intelligence Center and the Missile and Space Intelligence Center have been converted into field production activities under DIA control—two actions responsive to the mandate you and the Secretary of Defense have given to me, actions marking important initial steps in increasing DIA's role in scientific and technical intelligence. These actions, of course, directly support our efforts regarding proliferation.

Moreover, we are currently at work expanding our DOD-wide imagery management role; establishing a full-time Joint Intelligence Center incorporating all existing, Washington-area, service-affiliated intelligence centers; and strengthening the Military Intelligence Board to make it a true Defense Intelligence senior board of directors concerned with both management and substantive issues.

Steps are under way to integrate into the defense warning process the views of NSA, CIA, and the State Department's Bureau of Intelligence and Research. We are also working with allied nations to create a strengthened Global Defense Warning System that we hope will further enhance our ability to present policy makers with a more comprehensive warning outlook.

I lay all this out because I believe they all buttress the ways Mr. Gates has outlined to you to use intelligence as sources of leverage for policy makers, and, of course in our specific case, military commanders.

Mr. Chairman, to conclude my statement, I thank you, the members of this committee, your colleagues, and the Congress for giving defense intelligence in general, and DIA in particular, your full support in our effort to improve the military intelligence we provide to the Nation's policy makers.

I would be pleased to address your questions at this time.

[The prepared statement of General Clapper follows:]

PREPARED STATEMENT BY LT. GEN. JAMES R. CLAPPER, JR., USAF, DIRECTOR, DEFENSE INTELLIGENCE AGENCY

Mr. Chairman, distinguished members of the committee, I am pleased to offer Defense Intelligence perspectives of the military threat to United States security interests in the next decade. In doing so, I plan to follow the same outline as DCI Gates, but with specific focus on the military dimension. I will also comment on how Defense Intelligence can help policymakers identify and exploit opportunities to influence developments positively.

A year ago, my predecessor appeared here during a period of unprecedented global change. Communist rule in Eastern Europe had just collapsed; the Warsaw Pact stood on the brink of formal dissolution; U.S. and coalition forces were engaged in Operation Desert Storm; and Soviet forces were cracking down on Baltic independence even as the Union was disintegrating. Last month's formal end to the U.S.S.R. fundamentally changed the national security environment.

The elimination of Communist rule in the former U.S.S.R. and the emergence of independent successor states have removed, for at least the near term, the potential for a unified military challenge and threat to the West. I see virtually no likelihood of premeditated Russian or Commonwealth military aggression against the U.S. and its allies. The intentions of the new Commonwealth States toward the West have clearly changed, and overall, the military capabilities of Russia and the successor states are in profound decline.

Nonetheless, as the DCI points out, many of the positive changes we have witnessed carry with them the seeds of new problems and potential threats. I'm speaking here of the uncertain future of the former Soviet Union. Also, many longstanding problems, such as nuclear proliferation, have taken on new dimensions that pose additional challenges for defense intelligence.

Over the next 10 years, I believe the most serious threats to U.S. national security interests will fall into two broad categories:

— First, the potential for military conflict in a number of regional flashpoints, particularly the Middle East, the Korean peninsula, and South Asia. Conflict in these regions no longer risks superpower confrontation, but the decline of East-West tensions has removed the tempering mechanism that often helped keep these situations under control.

— Second, transnational and unconventional threats, such as weapons proliferation, terrorism, and narcotics trafficking. I will address these on a regional basis.

#### RUSSIA AND THE SUCCESSOR STATES

Clearly, an orderly transition of the former Soviet Union to independent states with stable democratic institutions is critical to the security of the United States and its allies. Progress so far has been remarkable, but the enormity of the social, economic, and political problems these new states face suggests that real dangers lie ahead.

In addition to the political and economic challenges discussed by Mr. Gates, Commonwealth leaders are also under pressure to downsize the military establishment and reorient an industrial apparatus and economy long structured for military competition and war.

#### DEFENSE INDUSTRY: THE BASE

To date, we see little progress in the conversion of defense industry. Currently, officials carried over from the previous regime remain in control. Ultimately, defense industries will be considerably downsized, but there will remain a viable capability to produce sophisticated weapons. Increased sales of military equipment are viewed positively in Russia and other states as a critical source of hard currency earnings. The future level of force modernization and defense spending will be a key indicator of the commitment which Yeltsin and other Commonwealth leaders have to transforming their militarized economies and instituting market mechanisms.

Over the last few years, defense spending has declined by approximately one-quarter in real terms. As best we can gauge, weapons procurement has also declined significantly over the past 3 years, affecting virtually all categories of equipment. For the 1992 Defense budget, leaders emphasize improving military pay and living conditions, and will make additional large cuts in weapons procurement. For example, in Russia's recently announced defense budget proposal for the first quarter of this year, procurement appears to have been cut by about 80 percent. Yeltsin and other officials have tried to limit cuts in military research and development, but R&D may be reduced by as much as 30 percent from last year.

## MILITARY COHESION

Paramount among my concerns is how the former Soviet armed forces will be managed through its current crisis. This is a military under extraordinary stress, caught between pressures from above and below. Its continued cohesion and reliability, given its access to arms and custody of nuclear weapons, is fundamental to the stable transition we hope for.

Pressures on it from above include the political fragmentation of the Union, and the attendant carving up of the armed forces by the successor states. The military—particularly the officer corps—is questioning its very role in society: who are they defending, and against what threat? There are different threat perceptions among the successor states and consequently little agreement on security priorities, doctrine, strategies, or force structure requirements.

Pressures from below are also increasing the disaffection of the once-privileged military. Problems with food supplies, housing, and pay, combined with the prospect of huge future cuts in military manpower, are adversely affecting morale and readiness. We believe, however, these problems have not reached a point where the military would act on its own to restore its position and intervene against civilian authority.

## NUCLEAR WEAPONS

Another priority for us is monitoring the security of the approximately 30,000 nuclear weapons that remain in the inventory of the Commonwealth States. Of these, some 9,000 strategic weapons are capable of being employed against the United States with little warning. The remaining 21,000 are maintained in well-secured storage facilities in the "big four" states of Russia, Belarus, Ukraine and Kazakhstan, and are in the process of being consolidated in Russia. In addition to robust physical security and tight centralized control, nuclear weapons have "use constraint" devices and in many cases sophisticated coded locking mechanisms that would prevent or significantly delay their use by unauthorized personnel. Overall, given these stringent controls, I believe the threat of seizure and use of nuclear weapons is low.

The Commonwealth members have agreed that all tactical nuclear weapons will be withdrawn to Russia by July. They are making good progress. However, in the end, the security of stored nuclear weapons in Russia depends on the preservation of a stable political system and a cohesive military.

The events of last August raised to national attention the question of whose finger is on the nuclear button. The Minsk accords signed last month codified the strong centralized control existing over nuclear weapons. Now, under Commonwealth provisions, the Russian President is dominant in the nuclear release process. The Commonwealth Commander in Chief of the armed forces, Shaposhnikov, serves as his principal military advisor. The Russian President is obliged to obtain political agreement with the leaders of Belarus, Ukraine, and Kazakhstan, and consult with other Commonwealth Heads of State, prior to employing strategic nuclear forces. In terms of the key actors and technical constraints built into the nuclear release process, little has changed from the Gorbachev era other than the arrival of Boris Yeltsin at the apex of the system.

## MILITARY ORGANIZATION AND CONTROL

I will now briefly discuss the status of the armed forces in the context of the new Commonwealth, and provide an assessment of their military capabilities. As I noted earlier, all 11 member states have agreed on the need to maintain unified control over strategic nuclear forces. Member states are seriously divided, however, over the issue whether to transfer former Soviet forces on their territory to Commonwealth control, or to develop fully independent armed forces under national control. Resolving these differences will not be easy, as demonstrated by the controversy between Russia and Ukraine over division and control of the Black Sea Fleet.

Over the next year, we expect that a loose defense coalition will be created in which member states participate at different levels. Many states will press ahead in establishing independent conventional forces. As this occurs, Russia will be pressured to form its own army. In any event, the military accords are transitional. We are clearly watching an unrehearsed drama unfold.

Trends in strategic forces include:

— A slowed pace for strategic nuclear force modernization and operations. Only two new ballistic missiles are expected to become operational during this decade—only a fraction of the previous rate.

— While road-mobile SS-25 ICBM's continue to enter the force, field training levels are down compared to a year ago, probably due to supply shortages and security concerns. However, conversion of the hard-target capable SS-18 ICBM to the more modern version with enhanced accuracy and lethality continues.

— No SSBN's are under construction and none are anticipated before the end of the decade.

— Modernization of the heavy bomber force is essentially complete, and we expect little further production of strategic bombers during this decade.

— Overall, the number of strategic platforms will be reduced as older SSBN's are dismantled and ICBM silos destroyed.

Strategic defense force programs have also slowed, although no program cancellations have been confirmed. The unwillingness of some former republics to participate in the unified air defense network will probably result in a move away from barrier defenses along the entire periphery toward a point defense of critical installations in Russia.

It is too early to determine whether Russia is committed to continuing the very costly deep-underground leadership protection program, but if ongoing activity does not cease or significantly slow during the next 6 months, we would conclude that the new government still assigns high priority to the survival of the leadership during and after a nuclear war.

Russia and other successor states have pledged to abide by the start agreement, but confusion over treaty requirements, logistical problems, and financial constraints will probably lead to delays in meeting some of the implementation provisions. We also expect that Russia will seek to negotiate even deeper cuts in strategic forces, below the 5,000-weapon limit which Gorbachev unilaterally pledged.

General purpose force trends include extensive reductions and low levels of combat readiness. Despite its interest in preserving a highly capable, ready, and modern force, the General Staff will have much less influence over military policy than in the past. Commonwealth military leaders will have to adopt new strategies and war plans based on reduced forces and manpower, and the absence of the U.S. or NATO as a perceived threat.

Enforcement of the draft will continue to be uneven, and the total number of draftees will decline further. As a result, military manpower levels will drop to between approximately 2 and 2½ million by the end of this year from a current total of more than 3 million. Near-term efforts in all the former republics, however, will be devoted to the downsizing of the former Soviet military. For example, Ukraine's parliament authorized a force of over 400,000, but military authorities in Kiev now talk about a force of only 100,000.

The number of active ground force divisions in the Commonwealth States probably will be reduced by more than half during the course of the decade to 50 to 70—not only as a result of CFE, but also due to economic imperatives. Air and naval force reductions will also be sizable, but the resultant force will consist of more modern equipment. Naval missions will focus on coastal defense and protection of the much smaller ballistic missile submarine force.

CFE implementation may be even more problematic than for START. Each of the newly independent states in the "attu zone" will have to ratify the treaty and conduct negotiations among themselves to determine their appropriate shares of equipment limitations and reduction obligations. In anticipation of CFE, the Soviets have moved large quantities of tanks, armored personnel carriers, and artillery into depot storage east of the Urals. We had earlier concerns that this effort was an attempt to shield this equipment from CFE destruction requirements, and to preserve a substantial force-generation potential. However, in light of recent events, I expect much of this equipment to degrade, substantially extending the time required to regenerate military forces. Reductions in the defense industrial base and conversion of industry will also deny them the capability to rapidly convert the economy to war-time production.

I would sum up the residual military posture of the former Soviet Union as follows:

— It will have no capability to directly threaten the United States and NATO with large-scale military operations. Russia will remain, however, the single largest military power on the European continent; and

— It will still possess a formidable strategic force with the capability to threaten the United States.

#### EASTERN EUROPE

The Eastern European countries continue to shift their military establishments from postures dictated by defunct Warsaw Pact requirements to smaller forces re-

configured and deployed to meet purely national needs. Most governments in the region are making steady progress in reforming their armed forces to fit into western-style democracies and, throughout the area, major reductions in force structure are well underway. Despite these positive trends, however, instability in Eastern Europe, and the dangers of military clashes, as already shown by the Yugoslav crisis, remain a major concern. Because of their fears of regional instability, including the uncertain outcome of events in the former Soviet Union, many East European States are looking for close ties to western security organizations, including NATO.

#### THE MIDDLE EAST

In the Middle East, lasting regional stability will be difficult to achieve and our military intelligence effort will focus, in large part, on the resurgence of Iraqi and Iranian military power and nuclear proliferation.

Over the next 10 to 15 years, Iran and Iraq will continue their competition for hegemony in the Gulf and will seek to strengthen their military capabilities. A secular state in Iraq, and a religious state in Iran are inherently at cross purposes. This enmity is likely to lead to situations in which war is a distinct possibility. A renewal of warfare in the Gulf would once again threaten world oil supplies.

The Arab States of the Gulf will require outside assistance to successfully defend against an invasion by their larger neighbors. Without continued sanctions and intrusive international inspections—and these are crucial caveats—I believe Iraq would be able to develop a deliverable nuclear weapon in a few years, and certainly, at the latest, by the end of the decade. Other regional players will probably acquire delivery capabilities, especially ballistic missiles. Over the next 10 years, Middle East ballistic missiles may extend a nuclear threat beyond the region to parts of Europe and Eurasia.

Despite recent moves by Qadhafi to disassociate his government from support of terrorist activities, many of the groups trained in Libya have only shifted their bases south to mask Libya's direct association with their operations. Libyan attempts to develop special weapons continue. For example, production of chemical warfare agents is still ongoing at Rabta.

#### SOUTH ASIA

In South Asia, tensions between India and Pakistan remain serious. They both maintain large military establishments. Should a fourth round of hostilities break out between the two, nuclear weapons could be employed by either country. Compounding the problem, both may deploy short-range ballistic missiles by the end of the decade.

#### EAST ASIA

The situation on the Korean peninsula poses the most serious security problem we face in East Asia. I think the next 3 to 4 years will be crucial. North Korea—whose leaders' paranoid outlook has, given the profound changes in the world, developed into an even greater siege mentality—intends to preserve what it considers to be an option to unify the peninsula by force. It is unclear whether North Korea would actually exercise this option, or only use it to strengthen its leverage in negotiations with South Korea. Many factors will condition this, including the military balance on the peninsula and economic pressures in the North.

Throughout the decade, the quantitative military balance will continue to favor the North. Despite continuing efforts in the near term, the South will not achieve an independent capability to defend itself. It will remain dependent on U.S. support in critical areas such as intelligence, logistics, naval warfare, and air support.

We are most concerned about North Korea's continuing nuclear program. Based on the scope and pace of their efforts, we judge North Korea could have a nuclear weapon in 2 or 3 years. Even if the North Koreans accept some inspections of their facilities, I have no confidence they would abandon their nuclear weapons program. I remain suspicious of their intentions.

Defense intelligence has concerns about Chinese military capabilities and intentions. Chinese ballistic missiles armed with nuclear weapons can reach the United States and many U.S. military installations abroad. Chinese arms sales and proliferation policies are also worrisome. China is currently assisting many of the nations that we estimate will acquire a ballistic missile capability by the end of the decade. Because of its past record of proliferation, China's involvement in the nuclear energy programs of several countries also bears close monitoring.

Before ending this discussion of Asia, I must address a vital issue of moral, as well as national security concern—the fate of American servicemen who remain unaccounted for as a result of the war in Southeast Asia. As the lead agency for this problem within the intelligence community, DIA remains committed to resolving the POW/MIA issue. We are actively supporting the President's POW/MIA emissary and the newly formed joint task force under the operational control of the Commander in Chief, Pacific. I will ensure DIA is fully responsive to requests for information from the Congress. My agency is dedicated to achieving the fullest possible accounting for our missing personnel.

#### SUB-SAHARAN AFRICA

Sub-Saharan Africa is perhaps the most unstable region in the Third World, and will continue to be so over the next decade. We must be prepared for various contingency operations. Undoubtedly, we will face more crises, such as we saw in Liberia, in which Americans must be rescued, either by unilateral action or in conjunction with our allies. In the future, the U.S. military may be called upon again to support peacekeeping and cease-fire monitoring operations. Furthermore, changes in drug trafficking patterns suggest our intelligence support to the U.S. counternarcotics effort will have to include greater emphasis on the African continent.

#### LATIN AMERICA

In Latin America, the recent strengthening of democratic governments, progress in resolving some insurgencies, and the end of Soviet influence are all positive developments. But serious problems remain. Narcotics trafficking now touches every Latin American country. Latin American governments are cooperating with us in their counternarcotics efforts. They are increasing use of their armed forces in providing logistic and other support to law enforcement organizations.

Developments in Cuba will also pose an increasing security problem. Rapid economic deterioration and growing disorder could produce another flood of refugees to the United States. Such conditions could also trigger widespread violence on the island, posing a potential threat to U.S. forces at the Guantanamo Naval Base. The Cuban military is also suffering from shortages, but Castro recognizes that they are the only force capable of removing him from power and will continue to favor them to the extent possible.

Some insurgencies and terrorist action will also persist in the Latin American region, especially in Peru and Colombia, where, as Mr. Gates has noted, active involvement in drug trafficking is helping to fund guerrilla operations. Although Cuban support has virtually ceased, guerrilla warfare threats to friendly democratic governments will remain.

#### PROLIFERATION

The proliferation of nuclear, chemical, biological, and advanced conventional weaponry is growing higher on my list of priorities. As Mr. Gates has testified, some 20 countries already have or are attempting to acquire nuclear, biological, or chemical weapons. I am concerned that our list of countries could expand in the future. Many Third World countries are developing dual-use technologies that could be diverted for the production of such weapons. These include technologies associated with nuclear power, pesticides, chemical fertilizers, and vaccines.

As director of military intelligence, I am also concerned about the proliferation of conventional weaponry of ever-increasing sophistication to some of the most unstable parts of the world, causing a potential threat to our forces or those of our allies. All of this obviously underscores the need for continuing close coordination between intelligence and policy in confronting these threats.

#### IMPROVING SUPPORT TO POLICYMAKERS

In your letter inviting me to appear here today, you also expressed an interest in the role defense intelligence can play in alerting decision makers to opportunities for shaping the international environment in a manner favorable to U.S. interests.

Recent actions by the Secretary of Defense and you and your colleagues in the Congress to reorganize defense intelligence and significantly enhance DIA's management and oversight roles are very important in this regard. In fact, I have made implementation of this series of reforms the centerpiece of my agenda at DIA. The defense intelligence community is adjusting to the realities of an increasingly complex worldwide military threat, the declining availability of overseas bases and staging areas, and reduced resources.

I am striving to focus the defense intelligence community on improving the data bases we maintain on the military forces of potential adversaries—particularly the “bad actors.” I will seek to sharpen the community’s ability to conduct sophisticated assessments of our potential adversaries’ military capabilities, and to assume a greater role in the development of national intelligence estimates. I am also streamlining our methods for producing and disseminating finished intelligence products.

DIA was recently accorded an expanded role in managing the DOD human intelligence, or HUMINT, program, and we are striving to complete a new HUMINT plan that will better define this role and the program’s collection priorities. Always critical to the process of early detection and foreign trend reporting, human intelligence will grow in importance and may soon represent the military’s only “eyes and ears” in some very volatile and important regions.

DIA’s functional managers have now been assigned additional responsibilities that will guarantee their substantive participation in the preparation, review, approval, and supervision of general defense intelligence program budgets and programs in their areas.

The Armed Forces Medical Intelligence Center and the Missile and Space Intelligence Center have been converted into field production activities under DIA control—two actions responsive to the mandate you and the Secretary of Defense have given to me, actions marking important initial steps in increasing DIA’s role in scientific and technical intelligence. These actions directly support our efforts regarding proliferation.

Moreover, we are currently at work:

- Expanding our DOD-wide imagery management role;
- Establishing a full-time joint intelligence center incorporating all existing, Washington-area, service-affiliated intelligence centers; and
- Strengthening the Military Intelligence Board to make it a true Defense Intelligence Senior Board of Directors concerned with both management and substantive issues.

Steps are underway to integrate into the defense warning process the views of NSA, CIA, and the State Department’s Bureau of Intelligence and Research. We are also working with allied nations to create a strengthened global defense warning system that we hope will further enhance our ability to present policymakers with a more comprehensive warning outlook. These all buttress the ways Mr. Gates has outlined to you to use intelligence as sources of leverage for policymakers, and, in our case, military commanders.

#### CONCLUSION

Mr. Chairman, to conclude my statement, I thank you, the members of this committee, your colleagues, and the Congress for giving defense intelligence in general, and DIA in particular, your full support in our effort to improve the military intelligence we provide to the Nation’s policymakers.

I’d be pleased to address your questions.

Chairman NUNN. Thank you, General Clapper. I want to commend both of you for your testimony. This is extraordinary testimony, and I know you worked hard in order to get this much information to us in open session. I commend you, Mr. Gates, and you, General Clapper, for doing that. It makes this committee’s work much more readily understandable by the remainder of the Senate. It helps us immensely to be able to get this amount of information out into the public domain for consideration and debate.

We have a lot to go over in the closed session, and I know there are many questions people will want to reserve for that session. For that reason, I will suggest we limit the open session questions to one round—5 minutes each—and I will try to strictly enforce that, beginning with myself. So, even if there is an answer, unless it is going to be concluded very briefly, we will reserve it for the closed session.

I have one substantive question, and one question about your plans in terms of capabilities of the intelligence community.



You talk about "perhaps," and "may endanger," and so forth, of proliferation of weapons—and here I am talking about more than nuclear—about conventional weapons—sophisticated weapons, missiles that can knock down passenger airlines, that kind of thing, from the former Soviet Union. My question is: Do you see signs of that already occurring in terms of, let us say conventional weapons, in terms of sales or proliferation around the world? Is that already occurring?

Mr. GATES. Mr. Chairman we have indication that former elements of the Soviet Union, Russia and others, may be preparing to sell conventional weapons, as I think General Clapper indicated in his testimony and we also agree. They see it very much in their interest to be able to sell some of these weapons for hard currency and we would expect to see that. In fact one of our greatest concerns, as he suggested towards the end of his statement, is that we will see increasingly sophisticated and technologically advanced weapons proliferating, as well as these weapons of mass destruction.

Chairman NUNN. General Clapper, do you want to add to that?

General CLAPPER. I would agree with that, and based on the hard economic facts of life for Russia and the successor states, in terms of what the possibilities are for earning hard currency. So I think in the conventional sense they will be looking for business. Certainly Russia is attempting to fulfill the commitments previously made for longstanding weapons deliveries. There are a couple of cases in the Mid-East we could talk more about in closed session. So I think we are going to see more of that.

Chairman NUNN. Let me just ask this question. If you were trying to get a general estimate around the number of nuclear people who are capable in this former Soviet Union of producing or helping a Third World country produce nuclear weapons or any weapon of mass destruction, including major chemical weapons or biological, do you have a general estimate about how many people, how many scientists that would be?

Mr. GATES. Mr. Chairman our view is that there have been something of the order of about 1 million people involved in the Soviet nuclear weapons program overall. We calculate only about 1,000 or 2,000 of those really have the critical skills necessary to design nuclear weapons. I think our numbers on either chemical or biological weapons would be much more speculative.

Chairman NUNN. So if we reduced it down to 2,000, you would be talking about 2,000 scientists that if we constructively engaged in some type projects with us, whether it is involved in their own nuclear weapon disposal or whether it is involved in chemical clean-up, whether it is involved in some type scientific exchange program, whether it is involved putting them to work under some degree of the \$400 million, you are talking about a possibility of a couple of thousand people.

Mr. GATES. On the nuclear side it would be in that ballpark, yes.

Chairman NUNN. What is a good salary in the Soviet Union today in dollars, adequate salary? I am told \$1,000 or \$2,000 goes a long way over there in terms of ruble conversion.

Mr. GATES. That would go a very long way, Mr. Chairman.

Chairman NUNN. For a year. A couple of thousand dollars for a full year or 2,000 or 3,000 for a year is a lot of money, is it not?

Mr. GATES. It would be pretty substantial, yes, sir.

Chairman NUNN. Maybe you could amend that for the record, or ask one of your assistants. The question is what is an adequate standard of living under the current devalued ruble in terms of American dollars?

Mr. GATES. This is Bob Blackwell, Mr. Chairman.

Mr. BLACKWELL. The ruble has been so devalued and it continues to be devalued, it is hard to get an adequate measure of how much it is worth, relative to the dollar. Some now get up to 200 rubles to the dollar.

Heretofore, before the inflation that has occurred, average salaries were less than 1,000 rubles a month and 1,000 rubles would have been for the most expert of all of their people. Now 1,000 rubles a month would not buy you very much at all in the former Soviet Union.

Chairman NUNN. What is 1,000 rubles a month in dollars now?

Mr. BLACKWELL. In current dollars? It is almost nothing.

Chairman NUNN. \$10?

Mr. BLACKWELL. Yes.

Chairman NUNN. About \$10?

Mr. BLACKWELL. That is right. They have been doubling and tripling salaries in ruble terms and the ruble still does buy things, but it buys less than ever.

Chairman NUNN. But \$1,000 is an awful lot of money even for a year over there right now.

Mr. BLACKWELL. Well \$1,000 would be a lot of money and a lot of rubles.

Chairman NUNN. For a year?

Mr. BLACKWELL. Yes.

Chairman NUNN. Okay, thank you. I am going to set a precedent here and yield back the balance of my time, if any, and turn to Senator Warner. I'll reserve my other question.

Senator WARNER. Thank you, Mr. Chairman.

Mr. Chairman, the opening statement by Mr. Gates reaffirmed my opinion that Secretary Cheney and Chairman Powell are trying to downsize our forces in a careful and a cautious manner. It is consistent and it is a direct correlation with the threat that you have described in precise detail here this morning, Mr. Gates. Therefore I think the Congress should follow the guidance of the President and the Secretary of Defense, given the uncertain nature and the unpredictable nature of the world as we see it today. That relates to your statement, Mr. Gates.

With respect to you, sir, General Clapper, I was caught by surprise with some of your statements, and I am going to have to take some time to go back and carefully assess them and particularly assess them in the light of briefings that I have had in the last 30 days which appear to me to provide inconsistencies. So my first question, Director Gates, you have heard the General this morning, do you generally agree with his predictions or statements to the effect of the drastic curtailment of the Soviet production of weapons?

Mr. GATES. Senator Warner I would invite my colleagues, the National Intelligence Officers for Strategic Programs and General Purpose Forces to add to what I have to say, but I would say in general terms that we, too, see a significant reduction in procurement and activity of the Soviets, including the Soviet strategic forces. We see, for example, for the first time in decades the total absence of any SSBN under construction in what was the Soviet Union.

Strategic weapons are still being tested. They are still being deployed, the strategic weapons, but there have been dramatic cut-backs in procurement, and we believe, I think, that in those cases where production is still going on, it is based on momentum, and they are drawing on supplies that were on hand at the time that the Soviet Union basically began to collapse and that once these stockpiles of some of these defense industries disappear, that their ability to continue production, given the breakdown of the distribution system, will be even further curtailed.

But let me ask General Armstrong and Larry Gershwin to respond.

Senator WARNER. I am constrained by a very tight limit. I would let you comment further, but, General, we are out ahead of the President who will state shortly to the Nation and the world his program for the U.S. military, and I anticipate that there will not be a major departure from that that we have been operating on in terms of the downsizing under the leadership of Secretary Cheney and General Powell. There may be some additional reductions which the President will address, but I do not anticipate they will be major.

As you look at your statement, and I respect you for your independence and your forthrightness, do you feel that that statement is consistent with what we anticipate the President will lay down, consistent and supportive of the sizing and the composition of the Armed Forces that will be announced by the President and the Secretary of Defense here in the coming days?

Chairman NUNN. Let me just inject there, with a great deal of respect that, General, we want your answer to that question, but that is not the General's job, and I do not—I think this committee would be in a state of considerable frustration if we felt the intelligence community were coming up here and giving us facts.

Senator WARNER. Well, it was not directed to be a political question. I said that the man was independent and I respected him for his independence, but I find myself somewhere between trying to analyze whether the statement is supportive or a head-on collision. I have to sort that out, Mr. Chairman, with all due respect, and I just ask the opinion.

I am not suggesting any political foundation to the question, but we have to assess the very complex statement here in the light of what the President is going to say. And I indicated that in my judgment he will not be in his statements a radical departure from what we are working on now. We have got to establish a direct correlation between the threat as the two witnesses today have outlined and the sizing and the composition of the Armed Forces. That is the responsibility of the Congress—either disagree or agree with

the President. And this statement, I must say, caught me a bit by surprise in some of the detail here today.

General CLAPPER. Senator Warner, I am really not in a position to comment on what the President is or is not going to say. I am frankly not privy to that. I have discussed this, though, as recently as yesterday with both Mr. Cheney and the Chairman, and I think, you know, they have accounted for the profound changes. My sense is they have accounted for the profound changes that have gone on as they view future force structure and all that. I really cannot comment beyond that.

Senator WARNER. All right, we will pass this question on to you, Mr. Gates. I am again concerned that we have the 47 nations hear our President. He announced this morning I am told another \$600 million in aid proposed by the United States, bringing to a total of some of \$5 billion, and at the same time we are still subject to targeting.

My question to you is, is there an opportunity now in the context of this conference and other actions by this Nation, and other nations of the West, to help. Does this provide a leverage by which we should bring to the attention of the Soviet or the former Soviet Union, now the Commonwealth, the need to make some very substantial changes in this readiness posture and eliminate the tensions and the risk of some situation developing as it relates to strategic weapons? Does this time provide that leverage and opportunity, and should we seize it and how should we seize it?

Mr. GATES. Senator, I believe that the circumstances inside the Commonwealth do create the opportunity for the West to influence developments in the Commonwealth and the way in which they manage their affairs. For example, with respect to the implementation of the START Treaty or the implementation of CFE, it clearly will be in the interests of republics that seek aid from the West to sign up to those treaties and to implement them as faithfully as they are able.

By the same token, it is clear that, given the economic conditions that prevail, there is an interest on the part of the senior leadership in Russia and I think in the other republics to reduce their military expenditures and the deployments of these systems to a very great extent. They cannot continue with the programs at anything like the levels they had before and make any headway at all on their economic reform, and I think that creates the conditions in which further reductions in the numbers of these weapons become very possible.

Senator WARNER. My time is up, Mr. Chairman.

Chairman NUNN. Thank you, Senator Warner. Senator Exon.

Senator EXON. Mr. Chairman, thank you very much. Director Gates, General Clapper, welcome. I have three brief things that I would like to cover, and maybe some of it will require us to go into closed session.

First, let me ask you, Mr. Gates, can you briefly tell us what your present feeling is about the launch on December 20 of an SS-19 out of Kazakhstan. Was it a violation of the principles that we have been following with regard to the pending START Treaty?

Mr. GATES. Senator Exon we were notified in advance by the Russians of that launch. We monitored it. We believe that it may

have been a space launch application of the SS-19. Some elements of the telemetry were encrypted. We are not quite sure why or what the specific circumstances are. Those questions are being addressed to the Russians, and I presume that we will have more definitive answers on that in a very short time.

Senator EXON. Thank you.

Mr. Gates, I assume that your agency is familiar with the nuclear facility in Russia known as Chelyabinsk-65; is that correct?

Mr. GATES. Yes, sir.

Senator EXON. You are?

Mr. GATES. Yes, sir.

Senator EXON. Are you familiar at all or have any information that you can tell us about in open session with regard to the facility that they are building there to reprocess plutonium and enriched uranium?

Mr. GATES. Let me ask one of my colleagues, Senator. I am not aware of that.

Larry? This is Larry Gershwin, the National Intelligence Officer for Strategic Forces, Senator.

Mr. GERSHWIN. Senator, the facility that you referred to is still under construction, as I think you observed. In fact, we have been watching this for some time. The purpose of it is to build a facility similar to some that are in other countries to combine weapons-grade plutonium with uranium to provide an element for reactors, to provide fuel for reactors, and in the process of doing that, to eliminate the weapons-grade plutonium by burning it up.

The facility is somewhat unique in that most such facilities in the world do not use weapons-grade plutonium, but rather use other kinds of plutonium. In some ways weapons-grade plutonium is a safer fuel to use for this because it is less dangerous to handle than normal fuel.

Senator EXON. Have your scientific experts looked at the facility to see whether or not they believe that the advanced systems there are workable?

Mr. GERSHWIN. It certainly is a very workable scheme. One issue is until the fuel is actually consumed, once it has been mixed, it could be reversed. So just having that facility does not prevent that plutonium from being used as weapons-grade plutonium in the future. It is relatively easy to reverse it until the fuel has actually been consumed.

Senator EXON. Thank you. There is one last and most important question that I have. I quote from your statement, Mr. Gates: "It is for these reasons, the prognosis of the former Soviet Union is clouded at best."

Can you, in open session, give us your evaluation from that clouded picture, as to the likely success of Mr. Yeltsin and his reforms and then a follow-up question: what are the chances that he will succeed in your opinion, given the information you have now?

And then the logical next step is that should he fail, what direction do you think the government of Russia would likely take?

Mr. GATES. Senator, I remain fairly optimistic about the prospects for the republics of the former Soviet Union in the middle to long-term. I think if we try and have some perspective with respect to how far they have come since August and the dismantling of a

totalitarian system, how far they have moved down the road of political and economic reform, the institutionalization particularly on the—

Senator EXON. Mr. Gates, I appreciate that, what I would just like you to answer is what are the chances of Mr. Yeltsin surviving?

Mr. GATES. I think that the chances are good that he will remain in power. I think if something should happen to him or if for some reason the Commonwealth should not survive, then the prognosis would be much more pessimistic.

Senator EXON. My time is up, you also thought that Mr. Gorbachev would last longer than he did, is that right?

Mr. GATES. I never made a prediction about how long Mr. Gorbachev would last, Senator. I felt my predictions with respect to Mr. Gorbachev had more to do with the likelihood of his reform effort.

Senator EXON. My time is up. Thank you, and thank you, Mr. Chairman.

Chairman NUNN. Thank you. I believe Senator Mack is next.

Senator MACK. Thank you, Mr. Chairman.

I want to follow up on Senator Warner's question with respect to 80 percent reductions in procurement and ask the specific question, does that relate to strategic capabilities, to strategic weapons and also I would like to know, Director Gates, whether that is a position that you share?

Mr. GATES. I might just comment, sir, this is based on a Russian statement made to the Russian parliament. Does it relate specifically to strategic? We do not know that, sir, I guess that is what I am getting to. We do not know—at least from my part, do not know—Larry, can you help out.

Senator MACK. I would like to get Larry's opinion.

Mr. GERSHWIN. Senator, regarding the statement by the Russians, at this point we have not been able to corroborate it. We have observed a general reduction over the last several years in the production of most military items, including strategic missiles.

What we are looking at is a prediction by them that they will reduce their procurement by 80 percent. Whether that is measured in rubles, dollars, numbers of missiles, all of that remains to be seen. There will certainly be some reduction in strategic missiles. I would be surprised if it is as much as 80 percent, but it could be—but at the moment that has not happened. This is an expectation for the future, based on their unilateral statement.

Senator MACK. Okay, let me go to another area. As you both know, the Congress recently passed legislation that would allow the President to provide the former Soviet republics with up to \$400 million in aid for the purpose of nuclear warhead dismantlement and other weapons of mass destruction. In order to release the aid however, the President must certify among other things that they are: (1) making substantial investment of its resources for dismantling or destroying such weapons; (2) foregoing any military modernization program that exceeds legitimate defense requirements, and foregoing the replacement of destroyed weapons of mass destruction; and (3) complying with all relevant arms control agreements.

Can you indicate to me whether you believe that those three conditions can be certified? There are other conditions, but I am talking specifically of those three.

Mr. GATES. We would have to take a close look at the situation on those, Senator Mack. On the dismantling effort, we know that they are making efforts in this vein and in fact, we learned some new things this morning in talking to a couple of you that were just there. We know that and have offered a community view on the likelihood that modernization of, particularly the strategic weapons, is going to slow considerably. They will have to be very selective among the many systems they have pursued in the past and probably only a few will survive to actual deployment.

In terms of compliance with arms control agreements, I think that we would have to rely on the most recent reports that we have provided to the Congress, updated by the developments of the last 3 or 4 months. I would say that, without going back to the experts and getting sort of a fine grained, detailed analysis, I would say that there are positive elements in each of these three categories that you have described.

Senator MACK. I notice you are being somewhat cautious and indicating that you are not saying at this point that you are comfortable with saying that those three things could be certified.

Mr. GATES. I think we would have to go back in the context of those specific requirements and examine the situation in considerable detail. My guess is that for most of those categories, we would offer an overall positive assessment, but also that there would be some inconsistencies.

Senator MACK. On this trip we just returned from, we met with the former deputy foreign minister Obukhov. When asked about Soviet violations of the 1972 biological warfare agreement, warfare convention, he stated that they were not in violation of that agreement, and that a group of British and American officials visited their facility to alleviate our concerns.

My question really is, has the U.S. changed its judgment about the visit, based on the visit to their facilities or are they still considered in violation of that convention?

Mr. GATES. I think we do not have any basis at this point, Senator Mack, for changing the judgment made in the last report on compliance provided to the Congress by the administration. That report said that they were not in compliance on the BW front.

Senator MACK. Okay, thank you.

Chairman NUNN. Thank you, Senator Mack. Senator Levin is next.

Senator LEVIN. Thank you, Mr. Chairman. Let me add my welcome to both of our witnesses.

First of all, Mr. Gates, you have testified that the proliferation of nuclear materials and weapons around the world is of gravest concern. You have also testified that the emigration, potential emigration of Soviet nuclear scientists to countries such as Libya would be of real concern to you. I want to press you on in those areas. Is it in our clear security interest, first of all, that fissile material such as weapons grade plutonium and enriched uranium be converted by Russia into some peaceful use such as commercial fuel for nucle-

ar reactors, particularly if that fuel were then sold to Western countries for use in their reactors?

Mr. GATES. I think, based on the testimony offered by Mr. Gershwin, that as long as appropriate safeguards are in effect over that material, it would be.

Senator LEVIN. Would you say it is in our security interest that the nuclear scientists who are now in the Soviet Union, many of whom are unemployed, looking for food as well as work, but that they be occupied in peaceful ways, either in Russia or other Commonwealth republics or in Western countries rather than emigrating with their knowledge to Third World countries such as Libya?

Mr. GATES. Yes, sir.

Senator LEVIN. Now is it also in our security interest that the plants in Russia that are currently producing weaponry be converted to peaceful purposes?

Mr. GATES. Or, at a minimum, stop producing weapons? Yes, sir.

Senator LEVIN. Or even better yet, be converted to peaceful purposes.

Mr. GATES. Better yet.

Senator LEVIN. Now have you notified the White House of those facts?

Mr. GATES. Yes, sir, we have participated actively in the policy deliberations on the use of this \$400 million, and also about the consequences of the kinds of concerns that we have been discussing.

Senator LEVIN. Well, the facts that you just testified to go beyond even the uses to which the \$400 million could be put, is that not true?

Mr. GATES. Yes, sir.

Senator LEVIN. So the facts that you just testified to in response to my question that it is in our clear security interest that the plutonium and uranium be disposed of peacefully, preferably converted to some useful substance or otherwise and gotten out of Russia preferably, into the hands of ourselves and our allies for commercial purposes, but in any event, safely disposed of and stored; the fact that you have testified to that it is in our security advantage to have Soviet nuclear scientists not to Libya, but be peacefully occupied in the Soviet Union; and that is in our security advantage that Soviet plants now producing weaponry be converted to peaceful purposes—those facts have been described to the White House by you.

And my next question is, has the White House designed programs that you know of to address those facts, to try to achieve those goals?

Mr. GATES. Senator Levin, I believe that there is an interagency effort underway under the auspices of the National Security Council to develop policies to deal with the very questions that you are describing.

Senator LEVIN. Are there any existing programs that you know of, that the White House has in place to address those, what you call critical security concerns?

Mr. GATES. Not that I am aware of, but this effort is proceeding as we speak on an intensive basis.

Senator LEVIN. Am I out of time? Let me just—



Chairman NUNN. No, but there is no rule against yielding back.

Senator LEVIN. All right, in that case, I will—

Chairman NUNN. No, I am kidding.

Senator LEVIN. No, I think the Chairman set an excellent example, and I will be happy to yield back the few seconds that I have left.

Chairman NUNN. Thank you, Senator Levin. Senator Thurmond.

Senator THURMOND. Thank you, Mr. Chairman.

Mr. Gates and General Clapper, we welcome you here and thank you for the fine service to our country.

Now if you will answer these questions just as briefly as you can, because we have only a few minutes.

General Clapper, in your prepared testimony you implied that Soviet deep underground leadership construction is continuing. Is it in fact true that they are continuing to invest precious resources in deep underground nuclear war fighting leadership shelters? This seems like a contradiction to invest in such shelters at a time of improved relations and given the housing shortages that exist for the Russian military, does it not?

General CLAPPER. Yes, sir, I think there are probably any number of what appear to be ostensible inconsistencies in what we believe to be the problems confronting the Commonwealth and the continuation of—more out of momentum than anything else—certain programs that seem to contravene that.

The maintenance of the deep underground facilities for civil defense or leadership protection has been a long ingrained tenet of the former Soviet defense policy. At this point, we do not have good evidence that they are closing these up. They are still active. I think this is another case where we have to watch to see what they do. But there are any number of anomalous contradictions like that that we have to watch.

Senator THURMOND. And Mr. Gates, in your prepared testimony you state that the capabilities of the Russian strategic forces are being significantly reduced. Modernization programs are likely to be delayed or abandoned and training will be cut back. On what basis do you make that judgment, and can you tell us what evidence there is to reach such judgment?

Mr. GATES. Senator Thurmond, the Soviets are eliminating the Y-class submarines. They are eliminating the SS-11 and SS-17 ICBMs. We see a number of modernization programs being cut back. We believe they are near the end of the deployment of the Blackjack bomber. There are no new ballistic missile submarines under construction in the former Soviet Union for the first time in decades. There also, however, are some programs going forward as General Clapper has described, e.g. the SS-25, a silo-based SS-24, and a naval missile, the SSN-20. So there are some selective modernizations going forward but there also are a number of indications that they are cutting back on some of these other programs.

Senator THURMOND. Mr. Gates, during the recent all military conference in Moscow last week, we happened to be over in that part of the world at that time, the 5,000 military officers in attendance overwhelmingly supported the maintenance of a unified army as opposed to the army of independent states. Is it my understanding that Mr. Yeltsin supported the concept of a unified army.

In your judgment, can there be a unified ground forces army without Ukraine? Is the influence of the army growing with Mr. Yeltsin, and, finally, what do you think will happen during the follow-on meeting in Minsk on February 14?

Mr. GATES. I think that if I may, Senator Thurmond, the question is perhaps better put: can the Ukraine have a ground force military of any capability independent of the Commonwealth ground forces?

The Russians now control 75 percent of the strategic forces. They control 50 percent of the maneuver divisions, 85 percent of the defense industry, 85 percent of the surface combatants and how the Ukraine can maintain any kind of a sizeable military independent of that kind of a structure is an interesting question.

I think that what Yeltsin and the others have said is that 8 of the 11 republics have indicated their willingness to participate in a unified conventional force or general purpose army, and that would sound to us, I think, like a viable proposition.

In terms of Yeltsin's influence with the military or vice versa, I think that Yeltsin, more than any other politician in what was the Soviet Union, has a remarkable feel for the pulse and the political situation in Russia and in the former Soviet Union.

I think that he realizes that the military has been badly served by the events of the last year in the sense of the supply of food, housing, schools for their children and so on, and that those coming back from Eastern Europe face very difficult circumstances.

So I think that Yeltsin, in attempting to maintain a unified conventional force and trying to maintain command and control over the strategic forces, understands these needs of the military and is trying to be responsive to them, within the constraints imposed on him by the economic conditions of the country.

I am not as expert as my colleagues here. Let me take a quick throw at the Minsk conference and then invite them to add. It seems to me that the most likely outcome in Minsk and in a way, perhaps the most hopeful, is that the number of the republics in the Commonwealth will agree to integrated command and control of the nuclear forces and that at least eight of the republics will agree to maintain some sort of a unified conventional force. But let me defer if necessary.

Senator THURMOND. Do your experts have anything to add?

Mr. GATES. No, sir, they agree with me.

Senator THURMOND. Mr. Chairman, my time has expired.

Chairman NUNN. Thank you, Senator Thurmond. Senator Glenn.

Senator GLENN. Thank you.

Mr. Gates, I appreciate very much your testimony the other day before the Governmental Affairs Committee on general non-proliferation problems all over the world. I thought it was an excellent hearing and appreciate your run-down on that.

In that hearing one of the statements you made is as follows: Only China and the Commonwealth of Independent States have the missile capability to reach U.S. territory directly. We do not expect increased risk to U.S. territory from the special weapons of other countries in a conventional military sense for at least another decade.

Can you tell us in open session which Third World ballistic missiles, if any, will be able to reach the United States in the next decade?

Mr. GATES. I think that our judgment is that during the next decade none of the Third World countries will have that capability. There are countries, I have mentioned North Korea and others, which are working on extended range missiles, and we would be happy, if you will allow me, to go into that in more detail in the closed session.

Senator GLENN. Fine, that would be very good.

In your testimony this morning one thing sort of jumped out at me in your run-down on Iraq, when you said the biological weapons program was damaged, but that critical equipment was hidden during the war. The Iraqis could produce BW materials in a matter of weeks of their decision to do so.

Do you know whether they are making plans for that? Are they doing that? Do they have that hidden material, that hidden equipment coming out, and is it your best estimate that they are proceeding to make biological weapons?

Mr. GATES. Senator Glenn, the Iraqis have made such an effort too. First of all let me say that, based on their efforts to resume their capabilities on the nuclear and chemical front, the reconstruction of facilities and so on, I think we believe it is reasonable to assume that they are trying to rebuild and go forward with their BW program as well.

Senator GLENN. Do we have a pretty good handle on that? Can we follow that as a development? Would we know about it for sure, if they were doing it?

Mr. GATES. I would like to address that in closed session, if I could.

Senator GLENN. Okay, fine. Another area of nuclear concern is North Korea. You addressed that in your statement today. You indicated it was the most dangerous spot in Northeast Asia and East Asia.

Could you comment any more on that? Do you know any more about the verification that seems to be key toward this tentative, very tentative, in quotes agreement, that has been worked out between North and South Korea? What are the odds of getting that verification? Are you optimistic on that, or do you think this is just another political ploy?

Mr. GATES. I think that will represent a significant challenge for our policy makers, Senator.

Senator GLENN. How well are we able to follow what goes on in North Korea? We seem to know quite a bit about that.

Mr. GATES. I think we have reasonably good information on their efforts on both the nuclear and missile side, yes, sir.

Senator GLENN. Back to the Soviet Union—oh, no, I have another one here on India and Pakistan. We keep seeing more and more being written about whether there is a nuclear competition going on there. That can only end, I presume, in things that are not good. Could you run that down for us, just a little bit?

Mr. GATES. Well, the weapons developments are clearly a matter for concern in both countries. I think the one reason for optimism is that the two sides are at least talking about these things.

I know that when the President sent me to India and Pakistan in May of 1990, when we were concerned that they might stumble into a conflict, I had very frank conversations with them about their own weapons programs, and what we saw happening and the concerns that we had. And, frankly, I offered U.S. assistance in trying to use some of the lessons we had learned about inspections and risk reduction endeavors; I also offered our intelligence to help them reduce tensions. They have, in fact, on their own, adopted some of those measures, including hotlines and other such things.

So we have this strange juxtaposition of a political recognition in both countries of the dangers of a conflict and steps being taken to try to reduce those risks while, at the same time, the weapons programs are going forward. As I indicated in my statement, the worry really is one of miscalculation and misunderstanding.

Senator GLENN. Just one more. We talked the other day, in the other hearing that the Soviets have pledged to destroy some 1,500 warheads—but how they can do only about 1,500 a year as they take down the 15,000. That means 10 years before the warheads will be disposed of. I was thinking of other ways we could approach this thing.

Do you know whether they have storage facilities available? These would have to be reasonably good storage facilities, but I thought if we could get them to take warheads off, and we also take warheads off, at least take them off and leave the silos open or whatever, so we can monitor the situation and maybe even have people there to verify it. Some way of reducing the danger we have right now; their missiles right now are still there targeted on the same American targets that they've been on for the last 25 years, which makes a lot of us nervous where there is an unstable situation, as in the new CIS.

I thought if we could get those warheads off some way, maybe have IAEA monitor, something like that. The basic question, though, is do we know, is there any facility where they could actually take them off and store them in the numbers that would be required to reach these goals much more rapidly than over a 10-year period?

Mr. GATES. Let me take a quick crack at that, Senator Glenn. We think they have the storage facilities. The problem that they're having with storage facilities now is that as they consolidate all of these weapons back from the other republics into Russia, the capability of the Russians to expand their storage facilities to accommodate those that were deployed in the other republics are stretched thinly. And we think that they are interested in expanding that storage capability.

With respect to dismantling, quite frankly, I have heard some things from Senator Levin and Senator Mack from their visit to Moscow that would indicate that, potentially, our assessments of how fast they could dismantle may be low. But we will want to pursue that with the Senators based on what they heard on their trip. Is that about right, on the storage?

Mr. GERSHWIN. Yes.

Senator GLENN. Thank you, Mr. Chairman.

Chairman NUNN. Thank you, Senator Glenn. Senator Cohen, you are batting cleanup this morning.

Senator COHEN. Thank you, Mr. Chairman. Mr. Gates, when you testified before the Governmental Affairs Committee a week or so ago, Senator Glenn was chairing that meeting, as he indicated. You said that Iraq would remain a primary proliferation threat as long as Saddam is in power. I did not notice that in today's statement. Do you believe that to be the case this week, as opposed to last week?

Mr. GATES. Yes, sir.

Senator COHEN. And that the cadre of scientists and engineers trained for these programs would be able to reconstitute any dormant program rapidly.

Mr. GATES. Yes, sir.

Senator COHEN. There was a story on the front page of the New York Times about Libya hiding massive amounts of chemical weapons, and perhaps constructing a second chemical weapons capability removed from that in Rabla. Given your testimony, and that of General Clapper, do you believe that Libya remains a proliferation threat as long as Qadhafi is in power?

Mr. GATES. Yes, sir.

Senator COHEN. Mr. Gates, as you know there are Presidential candidates up in New Hampshire parading around and arguing on both sides, Republican and Democrat, that perhaps the United States should abandon its foreign bases, entanglements, return to American soil and pursue an America First policy. And I say that it is on both sides, left and right.

If we are to pull out, let us say, of the Philippines, downsize our presence in that region of the world, be it Singapore or elsewhere, what power, if any, is likely to fill that vacuum that would be left? Has the intelligence community looked at what the potential is for a power vacuum in various parts of the globe where we are currently engaged?

Mr. GATES. I am so recently back in the community, Senator, I am not aware. We have not done any analysis like that since I have returned, and I am not sure whether something was done on that score while I was absent. Let me ask my colleagues.

Mr. BLACKWELL. No.

Mr. GATES. No, sir.

Senator COHEN. Well, let me suggest to you that I think you should.

Mr. GATES. I have got the point.

Senator COHEN. As a matter of fact we are discussing the potential of a trade relationship. Perhaps either confrontation or realignment to the extent, for example, that some of the proposals being put forth by candidates were to be put into effect, that might in fact alter our relationship with someone like Japan, by way of example. Possibly some of the European continent, depending upon what the European Community might look like 5 years from now.

It seems to me it would be prudent, to use a word that is in vogue, to examine not only the potential threats that are posed by our adversaries, what remain of our adversaries, but potentially what the development might be with respect to our allies. For example, if we were to have a trade war with Japan, if we were to insist on certain policies that they saw as being quite threatening to their economic base, what is the likelihood that Japan might

expand its military capabilities to perhaps dominate that region of the world, if we were in fact retreating from that region?

Is that not a legitimate area for examination by our intelligence community, to at least be thinking in terms of where we are going with our—Senator Mack and Senator Warner's concern about where we are going with the size and shape of our defense establishment? Should we not be looking just a few years down the line, to see exactly what the world might look like in the event that certain policies being articulated by politicians today were to take place?

Mr GATES. Yes, sir. I think those are completely legitimate questions.

Senator COHEN. And perhaps you can clarify for me—the name Graham Fuller may strike you as being familiar. During the course of your hearings, as a matter of fact, a paper that he presented was cited with some controversy, during the course of your confirmation proceedings.

Mr Fuller has written a piece in the Washington Post which suggests that Islamic fundamentalism is inevitable and indeed tameable. A conflicting piece was written by Mr. Amos Perlmutter, who thinks that Mr. Fuller has greatly misunderstood the implications of Islamic fundamentalism and what that means in terms of its spread, not only to central regions of the Soviet Union, but also in Pakistan and elsewhere.

Could you clarify for me what the agency's thinking might be in terms of the threat that is posed by Islamic fundamentalism? You can answer it for the record. I would like to have some guideline in terms of what you or the community thinks the threat is that we are facing, if any, or whether we have exaggerated it.

Mr. GALT: I would prefer to do that either in closed session or in the record. ~~Under~~

[illegible]

posed by Islamic Intelligence Community. This is a force not to be taken for granted throughout

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cilities for leadership, it does not necessarily follow that there is some rational connection between the two.

General CLAPPER. Yes, sir.

Senator COHEN. Thank you, Mr. Chairman.

Chairman NUNN. Thank you very much, Senator Cohen. I would echo, Senator Cohen, your suggestion. I think that is a very good suggestion about taking a look at not what happens with threats in a static world, but what happens with threats as we make very dramatic reductions in certain parts of the world. I think that is a very relevant question. It is a tough one to answer, but that may be where you bring out your A-team and your B-team, which is, I hope, an approach you are going to be taking, as we discussed before.

Just to clarify, I want to make sure everybody understands what General Clapper said on the 80 percent. On page 4, very clearly what he says is, "for example, in Russia's recently announced defense budget proposal for the first quarter of this year, procurement appears to have been cut by about 80 percent." Those are the General's words. What you are basically doing is basing this statement on their statements.

General CLAPPER. As is being discussed now in the Russian Parliament, yes.

Chairman NUNN. You have not independently verified that yet?

General CLAPPER. No, nor do we know what the composition will be.

Chairman NUNN. I have been told by some Russians that they have essentially cut off all orders, but that momentum is going to continue. I think we are going to have to look at the difference between new orders and momentum as we go along, because as we all know, old orders usually stretch over several years. And the question is how much is—as Mr. Gates said, how much materials do they have to continue the old orders, and who has the authority to cut off the old orders if they are already in effect? But that will be something we will watch with great interest.

We will adjourn now, and go over to the Intelligence Committee's hearing room, to continue this in closed session. I, again, want to thank both of you for being very forthcoming in open session. I think this will be of great help, not to just this committee but to our colleagues and to the general public. Thank you.

[Questions for the record with answers supplied follow:]

#### QUESTIONS SUBMITTED BY SENATOR ALAN J. DIXON

##### INTERNATIONAL SECURITY ENVIRONMENT

Senator DIXON. At different times, I have heard different numbers used for the number of countries that will have ballistic nuclear capable missiles by the year 2000.

— How many countries do you think will have a ballistic missile capability by the year 2000?

— How many of these will be able to strike our shoreline with one of their missiles?

— Of these countries which ones do you believe are a realistic potential threat to our country?

Mr. GATES. Probably over [deleted] will have short- or medium-range ballistic missiles: [deleted]. The list will be longer if [deleted] resume their development programs and much longer if Scuds are sold to other states in the Persian Gulf, south

of the Sahara, or in Southeast Asia. It will be shorter if [deleted] and former members of the Warsaw Pact scrap their Scuds, SS-21s, and SS-23s.

[Deleted.] We said in open session that we do not expect an increased risk to U.S. territory from the special weapons of countries other than China and Russia for at least another decade. [Deleted.] We believe that the development of ICBMs (or SLBMs) over the next decade is well beyond the capabilities of the less developed countries.

Senator DIXON. At different times, I have heard different numbers used for the number of countries that will have ballistic nuclear capable missiles by the year 2000. How many countries do you think will have a ballistic missile capability by the year 2000?

General CLAPPER. In addition to the major powers that possess ballistic missiles today, as many as 20 developing countries are projected to have ballistic missiles in the year 2000.

Senator DIXON. How many of these [countries] will be able to strike our shoreline with one of their missiles?

General CLAPPER. CIS and China are the only non-NATO countries presently able to strike our CONUS shoreline with a ballistic missile. No additional countries are projected to develop intercontinental range ballistic missiles by the year 2000.

Senator DIXON. Of these countries [CIS and China], which ones do you believe are a realistic potential threat to our country?

General CLAPPER. Both of these countries pose realistic potential threats to the United States.

Senator DIXON. Our forces working with our allies were very successful in the recent war with Iraq. Do you see the United States being involved in another confrontation of this magnitude in the next 10 years?

Mr. GATES. We have no way of knowing. As you will recall, intelligence played a major role in our success in the war with Iraq, but that the evidence that such a conflict was in the offing emerged only very briefly before Saddam Hussein launched his assault on Kuwait. No matter how sophisticated our technical intelligence capabilities become, it is unlikely that we will receive much in the way of early warning from societies like Iraq where political authority is concentrated in one leader and western-style public discourse is severely curtailed.

Unfortunately, the odds are that we will again confront such states in the decade ahead and that some, anxious to settle old conflicts formerly muted by the global confrontation between the U.S. and U.S.S.R. will resort to violence. Whether such conflicts will require the intervention of the United States and will escalate to the scale of the recent war with Iraq must remain, unfortunately, in the realm of the unknown. It is possible that, as in the current civil war in Yugoslavia, the fighting will remain relatively contained and that the U.N. or some regional entity like the European community will relieve the United States of the need to become involved in every conflict. On the other hand, our history since the Second World War suggests that U.S. involvement in a major, conventional war in each succeeding decade has, unfortunately, become the norm.

General CLAPPER. There are a number of countries that currently have, or are projected to have, military forces comparable in size and strength to Iraq's armed forces in 1990. Moreover, the anticipated decline in the defense establishments of the United States and its major allies will increase the comparative strength of potential adversary nations in this timeframe. The panoply of social, political, and economic issues that divide nations, and groups within nations, ensures that the potential for conflict will remain significant through the end of this century and into the next.

There is a direct connection between those states that perceive threats to their security interests and those that devote comparatively greater amounts of their resources to military forces. In the same respect, well-armed nations will continue to view military action as a potential solution to perceived security concerns. Therefore, the probability of armed conflict on a significant scale will remain substantial through the turn of the century. The likelihood of U.S. involvement in these large-scale conflicts will depend primarily on the risk such conflicts may pose to traditional U.S. vital interests. U.S. involvement on a lesser scale may also result from an increasing role in U.N. peacekeeping operations or other factors.

The likelihood for the United States to engage in a conflict on the scale of Operation Desert Storm for the rest of this century is low, although U.S. policies and actions will have a strong influence in deterring this type of conflict. At the same time, there is a greater likelihood for situations in which vital interests may not be clearly threatened, but U.S. involvement will be strongly urged such as in [deleted] conflict or an outbreak of serious fighting. [Deleted.]



Senator DIXON. With the demise of the Soviet Union, do you see any potential enemy fielding new weapon systems that our present weapon systems cannot readily handle?

Mr. GATES. Since we can never be sure where weapon systems will turn up these days, or whether friendly countries will stay friendly, we remain concerned with the spread of the highly advanced technology that goes into [deleted].

Many older systems deployed throughout Eurasia are difficult or impossible to defend against. In addition to missiles or artillery with nuclear, chemical, or biological warheads, we are particularly concerned with [deleted].

General CLAPPER. Yes. A large number of new weapon systems will be developed and fielded by friends and foes, between now and the turn of the century, that will stress not only present U.S. weapon systems but will also likely stress new systems currently in the developmental stages. Regional Powers will continue to buy or indigenously produce technologically advanced weapons. The world's major arms producers stand ready to satisfy their needs.

Across the categories of military weapons, there are numerous examples of systems under development or on the verge of deployment. Just a few are:

*Ballistic Missiles.* Current nuclear powers, including the Commonwealth of Independent States (CIS), will continue to field intercontinental ballistic missiles against which the United States will have no defense unless a strategic defensive system is put in place. Tactical ballistic missiles will continue to proliferate: One example is [deleted] the former Soviet SS1C SCUD Short-Range Ballistic Missile. [Deleted] this system would be extremely attractive for nations having or acquiring a SCUD capability.

*Aerodynamic Systems.* An improved variant of the Soviet Su-27 FLANKER equipped with the AA-X-12 [deleted] air-to-air missile (AAM) [deleted]. Also, gray world fighter and missile systems will proliferate:[deleted].

*Naval Systems.* Projected antiship missiles include [deleted] a supersonic cruise missile system. Submarines [deleted].

*Ground Systems.* Future armor systems will certainly exceed current fielded capabilities. [Deleted.] A growing number of nations have precision-guided munitions (PGM) equipped with a variety of sensors [deleted] then the United States will be faced with a new threat. Other gray world helicopters under development are technologically comparable [deleted].

*Air Defense Systems.* The CIS could export long-range surface-to-air (SAM) systems [deleted]. Continued development and fielding of more sophisticated tactical SAMs [deleted].

*Directed Energy Weapons (DEW).* [Deleted] lasers are expected to proliferate in regional forces. In addition to sophisticated [deleted] laser technologies available in several countries, [deleted] indicates the former Soviets are [deleted] in terms of development and production of [deleted] laser weapons systems, increasing [deleted] emphasizing broadening roles and missions for laser weapons. Some of this DEW capability is being marketed to other countries.

*Electronic Countermeasures.* Several regional adversaries could field high-power jamming systems [deleted]. In addition, the increased viability of small, low-cost jamming systems will result in a variety of new expendable or unmanned jammer systems facing U.S. forces. [Deleted.]

*Intercept/Jam-Resistant Communications Systems.* The proliferation of various technologies and techniques designed to prevent intercept or jamming of the enemy's communications [deleted] if antijam communications means become the predominant mode.

In summary, the world continues to present a threatening environment especially from a technological viewpoint. Nations and international consortiums will continue to advance technology. Some of that technology will be integrated into weapon systems, that if used by adversaries, will stress our capabilities.

#### QUESTIONS SUBMITTED BY SENATOR JOHN W. WARNER

##### PRODUCTION OF SS-18

Senator WARNER. General Clapper and Mr. Gates, is the SS-18 ICBM still under production? If so, how many are produced per year and where are they produced? Overall, how many ballistic missiles—SLBMs and ICBMs—were produced last year?

Mr. GATES. Overall, the production of ballistic missiles declined in 1991. [Deleted.]

General CLAPPER. The Dnepropetrovsk Missile Production Plant continues to produce SS-18 heavy intercontinental ballistic missile (ICBM) series. The Dneprope-

trovsk plant is located in the Ukraine. Its future involvement in this and other military programs of the Commonwealth of Independent States or Russia appears to be the subject of some debate. Overall activity levels for the SS-18 program in the past few years have been very steady. Thus far, no change in the program's pace has been detected.

[Deleted] 1991 activity at the Dnepropetrovsk Plant Yuzhnoye suggest that [deleted] missiles were produced in the year for the SS-18 Mod 5/6 heavy intercontinental ballistic missile (ICBM) program. [Deleted] shipments of newly produced SS-18s continues. DIA estimates that 190 ICBMs and submarine-launched ballistic missiles were produced in 1991 by the Soviet Union/Commonwealth of Independent States.

#### GORBACHEV RESPONSE TO PRESIDENT BUSH INITIATIVE

Senator WARNER. General Clapper and Mr. Gates, on October 5, then-President Gorbachev responded to President Bush's nuclear weapons initiative of September 27. Can you provide us with an assessment of his initiatives? Has the Russian military implemented all of his stated proposals? Has there been a change in the Russian Government's thinking along the lines outlined by President Gorbachev since Yeltsin has taken over?

Mr. GATES. It is not possible to determine whether all of Gorbachev's tactical and strategic proposals have been implemented. The four nuclear republics of the Commonwealth of Independent States are rapidly moving to consolidate all tactical nuclear weapons in Russia, and may succeed in completing this before the July 1, 1992 target date. [Deleted]. The Russians are still working on arrangements for the storage, dismantlement, and eventual destruction of these weapons, thus all the tactical nuclear provisions of the initiative have not been implemented.

[Deleted.]

We are unable to determine which missile Gorbachev was referring to when he indicated that development of a modified nuclear short-range missile for heavy bombers would be stopped. [Deleted.]

Many of President Yeltsin's initiatives either restate pledges made by Gorbachev or reflect changes already underway in the defense industry and operational forces. [Deleted.]

General CLAPPER. DIA judges that Russia will curtail or terminate many ongoing nuclear weapon deployment programs and will, in the future, support far fewer development programs in line with the Gorbachev proposals contained in his October response to President Bush's initiative. A number of strategic weapons have been taken off alert, and tactical nuclear weapons are being relocated to storage sites in Russia. The declared moratorium on nuclear testing remains in effect. Furthermore, one former Soviet nuclear test site has been deactivated, and there is pressure to close the other.

For the moment, however, new deployments of nuclear systems and work on many development programs continues. These activities probably are the product of earlier decisions to modernize forces rather than an indicator of an intent to retain these weapon programs. The more recent Yeltsin response to President Bush's State of the Union address suggests continuation of the Gorbachev plan leading to even deeper cuts and accelerated reductions.

*Intercontinental Ballistic Missiles (ICBMs).* New deployments of [deleted] systems have continued, and [deleted] before the coup attempt in August 1991 is under way.

New deployments of the [deleted] may indicate a halt in the deployment of this system. The agreement to remove SS-25s from Belarus by the end of 1994 will complicate future basing options.

[Deleted.] However, given President Yeltsin's recent arms control initiatives and statements by senior Russian officials regarding the removal of [deleted] it is very likely that ongoing modernization in this [deleted] will be halted. Future production of [deleted] will be contingent on the eventual size of the force in [deleted] and the disposition of those [deleted] removed from [deleted].

[Deleted] continues. Recent arms control initiatives and the elimination of the [deleted] would make the follow-on program a likely candidate for cancellation.

[Deleted.] In October 1991, former President Gorbachev stated that design work on a mobile compact-size ICBM would be stopped. His reference could have alluded to choosing to [deleted] is expected to continue and eventually replace the existing force.

Limited [deleted] ongoing. [Deleted] force and new [deleted] contravenes a Soviet "Statement of Policy" to cease encryption 120 days after the Strategic Arms Reduction Treaty (START) was signed. Evidence indicates that the [deleted].

*Sea Launched Ballistic Missiles (SLBMs).* There have been no pledges to halt SLBM development programs. Work on at least two and possibly three new SLBM programs has continued.

The SS-N-20 follow-on, [deleted] is expected to be deployed on the TYPHOON Class nuclear-powered ballistic missile submarines (SSBNs). [Deleted] is [deleted] proceeds at an uneven pace. Given the recent Yeltsin arms initiatives, this system would be a likely candidate for [deleted].

A solid-propellant SLBM, which is an [deleted] may be deployed on a new SSBN after 2000. [Deleted] is not expected to begin [deleted].

*Ballistic Missiles as Space Launch Vehicles.* Former Soviet defense industries appear to be pursuing space launch vehicle applications for many existing types of strategic ballistic missiles. The former Soviet Union has offered a number of SLBMs and ICBMs for commercial space purposes. To date, only the [deleted] role. Thus far, the [deleted] has not been offered on the commercial market, suggesting its use for a [deleted]. These pursuits are in part aimed at preserving the industrial, technical, and financial base for future booster developments.

#### DEEP UNDERGROUND CONSTRUCTION

Senator WARNER. General Clapper, in your prepared testimony you implied that Soviet deep underground leadership construction is continuing. Is it, in fact, true that they are continuing to invest precious resources in deep underground nuclear warfighting shelters? This seems like a contradiction to invest in such shelters at a time of improved relations, and given the housing shortages that exist for the Russian military, does it not?

General CLAPPER. Yes, construction is continuing on deep underground leadership command posts in the former Soviet Union. For more than 40 years the former Soviet Union had a multifaceted program to ensure leadership continuity in wartime. This program, actively pursued under former President Gorbachev, included the construction of deep underground (most at a depth of 50 to 100 meters or more) command posts, near-surface bunkers, tunnels, and secret subway lines.

The ongoing construction effort includes expanding and deepening the most important leadership command posts in the Moscow area, as well as creating new facilities in the Ural Mountains. And, yes, the level of construction activity and expenditures at these sites are at odds with general trends to downsize forces and limit expenditures. We will have to closely monitor this very costly construction to determine whether the new government is committed to this longstanding program to ensure leadership survivability. We will continue to be attentive to other developments in the wartime leadership continuity program.

[Deleted] strongly suggests that work is continuing on some of the most important deep underground projects in the former Soviet Union. These facilities are located in the Moscow area as well as in the Ural Mountains. For example, [deleted] indicates that [deleted] located south of Moscow. This facility is one of the most extensive and survivable sites in the former Soviet Union, is already hundreds of meters deep, can hold an estimated 10,000 officials. [Deleted.]

Construction is also ongoing at the deepest known underground project in the former Soviet Union. This facility [deleted]. Construction is also continuing on several other major deep underground projects within the territory of the Russian Federation. It is too early to conclude whether or not the new Russian Government is committed to this longstanding program to ensure leadership survivability. But, yes, the high level of construction activity and expenditures at these sites are at odds with general trends to downsize forces and limit expenditures.

#### STATUS OF THEIR NUCLEAR WEAPONS COMPLEX

Senator WARNER. General Clapper and Mr. Gates, how large is the Russian nuclear weapons complex?

Mr. GATES. There are [deleted] main facilities comprising the Russian nuclear weapons infrastructure. These are engaged in either R&D, weapons assembly/disassembly, materials production, or component manufacturing. Additional facilities make other weapons materials and components. [Deleted.]

General CLAPPER. The Russian nuclear complex is significantly larger than the U.S. nuclear weapons complex, and employs almost 1 million people.

Senator WARNER. How many production and dismantlement facilities exist, and where are they located?

General CLAPPER. There are three. A very large plant at Nizhnyaya Tura in the Urals, north of Sverdlovsk (now Yekaterinburg), a much smaller facility at Yuryu-

zan southwest of Sverdlovsk and a small component fabrication and assembly plant at Penza, southeast of Gorkiy (now Nizhni Novgorod).

Senator WARNER. Are the Russians still producing weapons-grade plutonium, and are they still producing new warheads for newly produced ballistic missiles?

General CLAPPER. While the Russians have shutdown seven plutonium production reactors, five or six reactors dedicated to plutonium production are still operating. We do not know if the Russians are producing new warheads for newly produced ballistic missiles; such production would be very difficult to detect.

#### DIVERTING RESOURCES FOR DISMANTLING NUCLEAR WARHEADS

Senator WARNER. Mr. Gates and General Clapper, Congress recently passed legislation that would allow the President to provide the former Soviet Republics with up to \$400 million in aid for the purpose of nuclear warhead dismantlement and other weapons of mass destruction. In order to release that aid, however, the President must certify, among other things, that they are: "making a substantial investment of its resources for dismantling or destroying such weapons; forgoing any military modernization program that exceeds legitimate defense requirements and forgoing the replacement of destroyed weapons of mass destruction; and complying with all relevant arms control agreements." Can you tell us whether these three conditions can be certified?

Mr. GATES. Certification of these conditions are primarily political judgments which the President will have to make rather than the Intelligence Community. While the Community will certainly contribute its best understanding of the activities relevant to these judgments, it could not, for example, speak to the compliance or non-compliance with arms control agreements.

[Deleted.]

General CLAPPER. The Commonwealth of Independent States (CIS) continues to expend resources on the withdrawal and storage of tactical nuclear weapons from the non-Russian states. Specifically, reprocessing and long-term storage of nuclear material will be an extremely expensive undertaking. No information is available regarding actual weapon destruction or the level of investment that is required to dismantle or destroy CIS nuclear weapons. The "legitimate defense requirements" of the CIS cannot be determined. Indeed, the CIS has yet to outline its own future threat perceptions and defense requirements beyond establishing a unified strategic force. However, according to CIS agreements, all strategic forces will be eliminated from Ukraine and Belarus by 1994 and from Kazakhstan within the 7-year Strategic Arms Reduction Treaty (START) reduction period. In this context, continued deployment of strategic systems to these states appears to be an unnecessary expenditure of resources, but may be a result of long-term planning that has yet to be terminated. Programs announced as canceled include a modernized rail-mobile intercontinental ballistic missile (ICBM), a compact-size ICBM, a nuclear short-range air-to-surface missile, long-range strategic nuclear sea-launched cruise missile (SLCM) production, development of similar types of nuclear SLCMs, and two existing heavy bomber programs. Confirming the cancellation of any modernization or production program would take time and would vary depending on the type of system involved. The Intelligence Community cannot make judgments on compliance issues, but continues to participate in and fully support the conclusions in the President's reports on Soviet noncompliance with arms control agreements as these reports related to Intermediate-Range Nuclear Forces (INF), Strategic Arms Limitation Talks (SALT) I, and SALT II.

#### DEFENSE CONVERSION

Senator WARNER. General Clapper, in your prepared testimony you stated that "to date, we see little progress in the conversion of defense industry." Can you please give us a more detailed assessment of how much defense conversion has taken place?

General CLAPPER. Despite significant cuts in weapon procurement of about 30 percent from 1988 through 1991 according to Soviet claims, little physical conversion of weapon production lines to civilian manufacturing has taken place. Defense plants have increased their output of civilian goods, but this has taken place largely by shifting manpower and resources to existing civilian production lines and raising prices on civilian output. In addition, many defense plants have begun new civilian production using excess floor space, including new buildings originally intended for expanded military output.

Confusion and contradiction still beset conversion efforts. The task may be easiest at historically dual-use facilities: shipyards, electronics plants, and aircraft produc-

ers. Problems are compounded by economic disarray, the lack of guaranteed supplies for civilian production, and continued conservative resistance to change in the defense industry.

There is minimal evidence that plants in the former Soviet Union are actually retooling or scrapping military production lines. Rather, precoup plans and practice envisioned simply the slowing, idling, or mothballing of military production lines. This procedure has continued since the coup largely because little funding has been allocated for real conversion. In addition, much of the conservative management organs of the military-industrial complex that impeded conversion in the past have been taken over by Russia. Despite press statements about the demise of the all-union defense-industrial ministries, these bureaucratic structures have reconstituted themselves as "corporations" and "concerns."

Through January and early February 1992, Russian officials involved with conversion continued to criticize the lack of real conversion taking place in Russia. Funding for conversion exists in the 1992 Russian budget, but this money appears largely geared toward maintaining wages and employment at defense plants as deep cuts in weapon procurement are instituted. Funding for retooling defense plants to civilian output appears designed to come from off-budget funds (such as a special tax on defense plant output and arms sales) and from hoped-for Western investment and assistance. The viability of such funding sources remains in doubt.

#### CONTINUED EFFECTIVENESS OF SANCTIONS ON IRAQI

Senator WARNER. While Operation Desert Storm was successful in liberating Kuwait from Iraqi occupation, evidence uncovered by the International Atomic Energy Commission and the United Nations Special Commission during 25 inspection missions in Iraq confirms that Iraqi special weapons programs had progressed much farther than previously estimated and that these programs could be reconstituted very quickly in the absence of continued international sanctions and inspections. You state that the biological and chemical weapons programs could return to production "in a matter of weeks" or sooner, while the nuclear weapons production program is likely to require a few years to become operational.

Would you please comment on the effectiveness of the continued international trade and economic sanctions against Iraq, since the continuation of these sanctions is vital to controlling Iraqi special weapons programs?

Mr. GATES. International compliance with the sanctions regime imposed against Iraq remains strong, preventing a return to normalcy let alone reconstruction. Iraq survives by the continued drawing down of internal stocks and severe domestic belt-tightening with those elements on whom Saddam depends relieved of the worst hardships.

[Deleted.] We hope that the inspection and destruction activities of the U.N. Special Commission will make it necessary for Iraq to reestablish that infrastructure with little or nothing left over from the pre-war program to make the job easier. The technical know-how will remain in Iraq, but it should take several years to produce the equipment that in turn produces fissile material, especially without foreign supplies or assistance.

Continued inspections will keep the Scud missiles Iraq has retained from being overtly deployed; sanctions will delay reestablishment of Scud production, and will greatly inhibit development of the Iraqi version of the solid-fueled Condor II missile.

General CLAPPER. Trade and economic sanctions have been successful in virtually eliminating all of Iraq's export income. Precise data are unavailable, but imports have probably been reduced to below 50 percent of the pre-Desert Shield level. Of these imports, it is assessed that only about 20 percent would be considered illegal under the sanctions regime. Iraq is not known to have imported any military equipment since Desert Shield.

Iraqis certainly have less food, perhaps one-third less, but they remain better fed than most of the people living in the world's poorer nations. In general, while Iraqis certainly feel the relative loss in food variety and consumption, they are not starving. The Sunni heartland, President Saddam Hussein's political base, is experiencing some hardships. However, the Kurds in the north are experiencing the brunt of these hardships.

Iraq has succeeded in rebuilding or repairing a significant amount of its high-priority industrial sectors and infrastructure—at least enough to provide essential levels of food and transportation, electrical, refining, and telecommunications services. Supplies of clean water and medical services are scarce, and most civilian industries are probably operating at reduced capacity, if at all. Iraq has made these improvements by using available domestic stockpiles of parts, equipment, and con-

struction material; cannibalizing damaged equipment and facilities; and by importing goods. It is assessed that imports probably account for the smallest percentage of the three. Some of these imports have been approved by the U.N. Sanctions Committee.

Many of Iraq's repairs are improvised and bring the risk of temporary shutdowns or power outages. As domestic stocks dwindle and cannibalization progresses, Iraq will be less able to maintain systems that are currently operating.

Iraq's private sector has been a critical source of funding needed to import goods to Iraq. As Iraqis draw down this resource, the government will have less money to finance imports. Moreover, Letters of Credit will be harder to obtain. There are no indications that large amounts of frozen funds will soon be made available to Iraq.

#### IMPROVEMENTS IN NON-PROLIFERATION REGIMES

Senator WARNER. In view of the discovery of an extensive nuclear weapons development and production program in Iraq, a nation which had signed the Non-Proliferation Treaty (NPT) and agreed to inspections of its nuclear facilities by the International Atomic Energy Agency (IAEA), it is clear that inspections under the NPT were not effective in preventing the development of a covert Iraqi nuclear weapons program. I understand that you have directed increased resources toward the goal of improving cooperative efforts to control weapons and related technology proliferation. Would you please share your preliminary suggestions for improvements in enforcement of nonproliferation regimes, such as the IAEA inspection regime, in order to prevent future covert weapons programs such as that discovered in Iraq?

Mr. GATES. We have committed increased intelligence resources to the proliferation problem, particularly in the establishment of a new Non-Proliferation Center. This is not only the commitment of more people, but the implementation of ideas and enhancement of technologies to refine and expand our intelligence capabilities.

The role of the Intelligence Community in improving non-proliferation regimes is largely that of alerting policymakers to the existence of new programs or advances in established programs in special weapons areas. However, in the collective sense we observe what works and what doesn't, as in the case of Iraq and the NPT, and bring that to the attention of the policymaker as well.

[Deleted.]

General CLAPPER. We suggest the inspectors should make unannounced visits to nuclear facilities, be allowed to inspect suspect nuclear facilities that have not been declared as being nuclear by the host country, and also that countries should not be allowed to withdraw from the NPT with less than one year's notice.

#### NORTH KOREAN NUCLEAR WEAPONS PROGRAM

Senator WARNER. Although North Korea recently agreed to allow IAEA inspections in accordance with the nuclear NPT, many doubt that the North Koreans will completely abandon their nuclear weapons program. Do we have any evidence that North Korea has reduced its nuclear weapons activities in recent weeks? If North Korea continues in its efforts to acquire a nuclear weapons capability, when do you anticipate that it will possess such weapons?

Mr. GATES. Activities at Yongbyon, the nuclear center of concern, have continued in recent weeks, giving no sign that the program is to be abandoned. [Deleted.]

General CLAPPER. North Korean nuclear activities are continuing. [Deleted] the activity at Yongbyon has increased. [Deleted] the steam plant have [deleted]. This activity could be a prelude to operation [deleted] continued interest in nuclear weapons development.

[Deleted] which will allow them to separate plutonium from spent fuel. Once the plutonium is available, North Korea could have a deployed warhead [deleted]. We cannot rule out [deleted] that they may already be fabricating their first nuclear warhead.

#### IRANIAN ARMS BUILDUP

Senator WARNER. There have been disturbing reports in the press in recent weeks concerning Iranian acquisition of a wide range of weapons from sources around the world—most notably, China and Russia. Could you comment on these reports?

In your opinion, how long will it be before Iran is able to rebuild its military to the point where it will represent a serious military threat to the Persian Gulf region?

Mr. GATES. [Deleted.]

Regarding the second part of your question, the Iranian military remains organizationally weak and poorly equipped. Efforts to rearm and reconstitute the force are proceeding slowly. [Deleted.]

General CLAPPER. Most of the recent press reports on Iranian weapon acquisitions have been generally correct; however, some of the specifics reported on the values of weapon purchases and negotiations and equipment types and numbers have been incorrect or overstated. Given the highly competitive nature of the shrinking international arms market, many nations are willing and eager to sell military equipment to Iran, and Iran is taking full advantage of the situation.

In 1990, the former Soviet Union delivered military equipment to Iran valued at less than \$1 billion, and deliveries in 1991 were slightly more than \$1 billion. The most significant deliveries were advanced fighter aircraft, and shipments are expected to continue in 1992. Based on existing contracts, deliveries in 1992 are expected to reach \$1 billion, and negotiations between Iran and Russia for additional equipment continue.

China continues to supply Iran with significant amounts of military materiel, including fighter aircraft. Tehran has also negotiated for ballistic missiles from Beijing as well as Pyongyang. Iran is also looking to East European nations for large amounts of military equipment.

In addition to purchasing major military end-items, Iran has been aggressively seeking the transfer of military production technology through coproduction or licensed-assemble/production agreements. Tehran wants to become self-sufficient in defense production and has been actively improving its military production capability.

Senator WARNER. In your opinion, how long will it be before Iran is able to rebuild its military to the point where it will represent a serious military threat to the Persian Gulf region?

General CLAPPER. Iranian ground forces will grow, with significant offensive ground capabilities being reached within the next 5 years. Iran's air and naval capabilities are limited by supply and maintenance shortfalls, but are also expected to grow over the decade. Iraqi-Iranian relations will remain strained, creating potential for renewed conflict by the end of this century. Enmity between these two major Gulf countries will continue, motivating Iranian leadership to pursue major military force rebuilding and development.

#### WHO'S IN CHARGE OF THE CIS MILITARY?

Senator WARNER. Mr. Gates, during the recent all-military conference in Moscow last week, the 5,000 military officers in attendance overwhelmingly supported the maintenance of a unified army as opposed to the union army of independent states. It is my understanding that Mr. Yeltsin supported the concept of a unified army. In your judgment, can there be a unified ground forces army without Ukraine? Is the influence of the army growing with Mr. Yeltsin? And finally, what do you think will happen during the follow-on meeting in Minsk on February 14?

Mr. GATES. The former Soviet military is disintegrating. The concept of a unified military exists only for the strategic nuclear forces. Regarding the ground forces, the republics will create their own armies from the former Soviet forces on their territories. This process is already underway in Ukraine, Uzbekistan, Byelarus, Azerbaijan, Georgia, the Baltics, and perhaps Russia. It has already eliminated the prospects for unified armed forces. Over the longer term, only Russia and Ukraine are likely to emerge with conventional military forces that give them status as European powers.

Establishing a successor to the Soviet military framework will be highly contentious and complicated. Negotiations will continue to be dominated by the disagreements between Russia and Ukraine over distribution of military assets. Pressures from the military are perhaps greatest on Yeltsin, especially in the short term. His ability to take measures to alleviate serious shortfalls in housing and subsistence for the officers' families is limited by Russia's serious economic difficulties. The meeting in Minsk almost certainly will be a highly contentious affair that will likely do little to resolve the dispute between Russia and the other republics over the disposition of military resources. Although the republics have agreed in principle to a division of assets, they remain deeply divided over the details.

#### STRATEGIC ROCKET FORCE MISSILE TESTS

Senator WARNER. Mr. Gates, has there been a reduction in Russian strategic force missile tests and exercises during 1991 compared to 1990 or 1989? Has there been a significant reduction since the coup of August 1991? If not, what do you see as the



primary reason for their ability to continue such testing, given their severe economic problems?

Mr. GATES. Overall, the [deleted] ICBM and SLBM launches in 1991 were fewer than in previous years, continuing a downward trend that began in 1988. [Deleted.]

#### RECENT EVANS AND NOVAK PIECE

Senator WARNER. Mr. Gates, in a recent op-ed piece in the Washington Post, Evans and Novak assert that the former Soviet Union launched an SS-19 from Kazakhstan on December 20, and that this was a violation of the START Treaty. Can you tell us whether the article has any validity?

Mr. GATES. [Deleted.]

Senator WARNER. Do you know who ordered the test launch?

Mr. GATES. We do not know precisely who ordered the launch, [deleted].

Senator WARNER. Do many ICBM test launches occur in Kazakhstan, and at what facility do such launches take place?

Mr. GATES. [Deleted.]

Senator WARNER. Finally, were Kazakh leaders consulted on the test launch?

Mr. GATES. [Deleted.]

#### PACE OF SOVIET MODERNIZATION

Senator WARNER. Mr. Gates, in your prepared testimony you state that "The capabilities of the [Russian] strategic forces are being significantly reduced. Modernization programs are likely to be delayed or abandoned, and training will be cut back." On what basis do you make that judgment? Can you tell us what evidence there is to reach such a judgment?

Mr. GATES. [Deleted.]

Senator WARNER. Mr. Gates, in your statement, you predict that "(Former Soviet strategic) modernization programs are likely to be delayed or abandoned, and training will be cut back." What evidence do you have that cutbacks in any former Soviet strategic programs have been implemented?

Mr. GATES. [Deleted.]

#### STATUS OF THEIR (SOVIET) BIOLOGICAL WEAPONS PROGRAM

Senator WARNER. Mr. Gates, during a recent congressional trip to the former Soviet Union, we met with former Deputy Foreign Minister Obukhov. When asked about Soviet violations of the 1972 Biological Warfare Convention, he stated that they are not in violation of that agreement and that a group of British and American officials visited their facilities to alleviate our concerns. Has the United States changed its judgment based on our visit to their facilities, or are they still considered in violation of the convention, which is supposed to prohibit the development and production of these horrible weapons of mass destruction?

Mr. GATES. The United States has stated in the President's Compliance Report that the U.S.S.R. was in violation of the Biological Weapons Convention as evidenced by the accident at Sverdlovsk in 1979 when anthrax bacteria were released into the environment. This incident has been explored in recent years by investigative reporters who have identified a military BW facility as its source.

During Yeltsin's visit to the United States, the Washington Post quoted a senior advisor present at the Camp David meeting, Dmitri Volkogonov, as saying that Yeltsin had pledged to halt Russian research into biological weapons. Yeltsin had stated that from 1992 forward no military budget allocations would be given to that program. The statement further implied that past military efforts had gone beyond the line set by international treaties.

[Deleted.]

#### PROLIFERATION OF SOVIET TECHNOLOGY AND ARMS

Senator WARNER. Mr. Gates, in your statement, you refer to the proliferation of Soviet weapons and technology as "the most dangerous external effect of the Soviet break-up." This is an issue of great concern, particularly in the Middle East, as numerous press articles have reported efforts by Iran to employ former Soviet scientists and technical experts, as well as to purchase former Soviet arms and equipment. What evidence have you seen of the acquisition of Soviet (special weapons) or expertise by Iran? What evidence do you have of similar transfers to other Third World countries?

Mr. GATES. Iranian missile developers did claim to their North Korean collaborators that the Russians had contracted to provide Scud engine parts. [Deleted.]



## LONG-TERM PROSPECTS FOR NEW CIS GOVERNMENTS

Senator WARNER. Mr. Gates, you state that "the threat to the United States of deliberate attack from [the former Soviet Union] has all but disappeared for the foreseeable future." Yet, you also caution that "a new military threat could reemerge from the region," controlling a formidable arsenal of nuclear weapons, if the democratic forces in the new Commonwealth of Independent States do not prevail. Please give us your assessment of the long-term prospects for success of the new CIS in view of the recent reports of dissatisfaction among the military leadership of the former Soviet Union and the likelihood of severe reductions in defense spending in the CIS.

Mr. GATES. [Deleted.]

## 20 STATES ACQUIRING WEAPONS OF MASS DESTRUCTION

Senator WARNER. Mr. Gates, you state that "Over 20 states have or are acquiring weapons of mass destruction." Would you please provide the names of these countries and the status of their programs to develop nuclear, biological, and chemical weapons and related delivery systems?

Mr. GATES. In general proliferation problems tend to be regional ones, with the Middle East the area of greatest concern. Iraq, Iran and Libya have across-the-board special weapons programs, while Syria for example is just beginning to probe in the nuclear area. Other countries such as Israel, Saudi Arabia, and Egypt have built or bought special weapons for defense or deterrence. We hope in the future to be able to point to Algeria as a country that is participating in the deescalation of special weapons arms races in the Middle East.

In South Asia the arms race between India and Pakistan continues unabated, despite the initiation of talks to build confidence and prevent especially a nuclear weapons exchange.

In East Asia the North Korean nuclear program remains of greatest concern. However, North and South Korea are continuing to work towards establishment of a nuclear-free peninsula. China has signed the Nuclear Non-Proliferation Treaty which will place it under obligation to safeguard relevant nuclear technologies it provides to other countries.

The over 20 countries referred to as having or acquiring weapons of mass destruction are: [deleted].

## IRAQI ASSISTANCE TO ALGERIAN NUCLEAR WEAPONS PROGRAM

Senator WARNER. Mr. Gates, in early January, several London newspapers reported that, prior to Operation Desert Storm, Iraq provided to Algeria approximately 10 tons of enriched uranium as well as a number of technicians to assist in the development of an Algerian nuclear weapons program. Do you have any knowledge of or evidence of this alleged assistance or the press reports?

Mr. GATES. [Deleted.]

## SOVIET ASSISTANCE TO SYRIA

Senator WARNER. Mr. Gates, do you have any evidence that technicians from the former Soviet Union have been or are continuing to assist Syria in developing improvements to Syrian Scud missiles which would allow the missiles to defeat Patriot missile defenses?

Mr. GATES. [Deleted.]

## QUESTIONS SUBMITTED BY SENATOR STROM THURMOND

## BRAIN DRAIN OF SOVIET NUCLEAR WEAPONS EXPERTS

Senator THURMOND. Mr. Gates and General Clapper, during a recent Congressional trip to the former Soviet Union, we asked numerous officials whether there was or could be a so called "brain-drain" of Soviet scientists or engineers to dictator regimes in the Middle East, for example. They asserted, many in strong terms, that such a prospect was unlikely. Do you agree with their assessment? Do you have any evidence to the contrary?

Mr. GATES. [Deleted.] The steps being taken by the Russian Government and those under discussion in the U.S. Government should assist in keeping the expertise out of the wrong hands. However, this problem will require frequent reevaluation to ensure that additional measures are not required.

[Deleted.]

General CLAPPER. No, we do not concur with the Former Soviet Union (FSU) officials that a "brain drain" of FSU scientists and engineers is highly unlikely. While the independent republics have taken steps to curb the emigration of key nuclear scientists and engineers, the general fragmentation of the FSU emigration system, coupled with the large number of citizens who desire to come to the West, continue to place a strain on the previous and newly established control systems. Well over a quarter million FSU citizens are likely to emigrate to the West each year; a number possessing some form of scientific, engineering, or technical skill. While we have not yet seen any Third World nation of concern attract FSU scientists or engineers with experience in weapons of mass destruction, the potential for such to happen is highly likely.

We have no evidence that any FSU scientists or engineers have emigrated to dictator regimes in the Middle East. While Libya and Iran, for example, continue to offer lucrative salaries for attracting FSU scientists and engineers, especially those in the areas of weapons of mass destruction, we have no evidence personnel have emigrated. In fact, the newly established emigration controls within the republics appear to have had some effect in stemming any possible flow of key FSU scientific personnel. Alternatively, the potential for some FSU scientists and engineers to use emigration to a Western nation as a stepping stone to a Middle Eastern nation continues to exist. Key FSU scientists and engineers have emigrated to both Israel and Brazil.

#### CHELYABINSK 65

Senator THURMOND. General Clapper and Mr. Gates, during our recent trip to the former Soviet Union, we were allowed to visit a so-called secret city called Chelyabinsk 65. We were told that Chelyabinsk 65 used to produce nuclear weapons and is now gearing up to dismantle nuclear warheads and reprocess nuclear weapons materials for civilian power reactor fuel. As part of this effort, we were allowed to tour a half-completed facility that allegedly was designed for reprocessing nuclear weapons material. They asserted that once the material was reprocessed to civilian reactor fuel, it could never be used for weapons purposes. From a technical standpoint, is this correct?

Mr. GATES. No, before the fuel is used in a reactor, the weapons-grade plutonium could be recovered, with somewhat less difficulty than reprocessing spent reactor fuel to recover plutonium. As the fuel is burned in a reactor, the plutonium degrades from weapons-grade to reactor-grade within a matter of months which greatly diminishes the proliferation problem.

The Chelyabinsk-65 civilian reactor fuel facility, if completed, would make mixed-oxide (MOX—depleted or natural uranium oxide and plutonium oxide) fuel pellets. These pellets would be packed into a fuel pin—pellets stacked inside a metal tube sealed on both ends. The fuel pins are bundled together into a fuel assembly—the form that fuel is in when shipped to and loaded into a civilian power reactor.

Recovering weapons-grade plutonium from the fresh MOX fuel assembly would be quite similar to but somewhat less difficult than reprocessing spent fuel to recover plutonium. Only minimal personnel radiation shielding would be necessary since the fresh MOX fuel would not be highly radioactive. First the fuel assembly would have to be sheared open with a fuel chopper. Then the plutonium-uranium oxide could be dissolved in a nitric/hydrofluoric acid solution. A solvent extraction process, probably using tri-butyl phosphate (TBP), would allow plutonium to be separated from the uranium. Separated plutonium could relatively easily be converted into metal for subsequent fabrication into weapons components.

The Chelyabinsk-65 MOX fuel plant could also use a blend of reactor-grade plutonium—Chelyabinsk-65 has recovered about 25 tons of this material—and weapons-grade plutonium such that the resulting plutonium would no longer be weapons-grade. The degraded plutonium obtained by blending could be used in MOX fuel to greatly diminish the proliferation concern.

General CLAPPER. From a technical standpoint, no. The partially completed facility that you visited at Chelyabinsk 65 (also referred to as Kyshtym and the Mayak Chemical Combine) is a large mixed (uranium and plutonium) oxide fuel facility for the manufacture of power reactor fuel containing plutonium. If weapons-grade plutonium was used to fabricate the fuel, the plutonium could be readily separated. However, if the weapons-grade plutonium was first mixed with reactor-grade plutonium, it would be difficult and expensive, but not impossible, to separate the weapons-grade plutonium. Once either type of mixed oxide fuel was irradiated in a power reactor it would have to be reprocessed to extract the resultant reactor-grade plutonium.

## DISMANTLEMENT OF SOVIET NUCLEAR WARHEADS

Senator THURMOND. During a recent trip to the former Soviet Union, high-level officials with the Ministry of Atomic Power and Industry or MAPI, informed us that the Russians dismantle more than 1,000 nuclear warheads per year, and have been dismantling such a number since 1985. Altogether, the Soviets may have dismantled some 10,000 warheads. MAPI officials also informed us that they do not need any technical help or expertise to dismantle nuclear weapons. Does your assessment correspond to these assertions?

Mr. GATES. Our only direct information on Russian dismantlement capacity has come from diplomatic exchanges. During these conversations, Russian officials have stated capacity ranges of "somewhat less than 1,500" to approximately 4,000 warheads per year. [Deleted.]

## REDUCTIONS IN RUSSIAN MILITARY SPENDING

Senator THURMOND. Mr. Gates, we were told by Russian officials during a recent congressional trip to the former Soviet Union that Yeltsin will not be able to significantly reduce military spending because he would risk losing the support of the military which, in turn, could result in another coup of some sort. Does this correspond to your assessment of the situation?

Mr. GATES. The military is already faced with fragmentation and disintegration caused by the economic crisis, the collapse of central authority, and the growth of nationalism. It will have fewer resources to deal with mounting shortages in coming months. Aside from an unlikely attempt at a military coup in Moscow or Kiev, such conditions could well lead to rogue behavior by some military units to deal with their immediate problems. Should Yeltsin fail to control this behavior, it could pose a more direct threat to his government.

Over the long term, we believe the military's political influence will continue to decline as forces and spending are reduced. However, these trends in the short term will pose risks for the Russian leadership in that the officer corps is increasingly frustrated over its economic plight, primarily in terms of inadequate housing and pay. Yeltsin is taking steps to satisfy the military's public calls for better pay and housing, but his ability to do so is limited by Russia's serious economic difficulties.

## QUESTIONS SUBMITTED BY SENATOR JOHN MCCAIN

## THREATS TO U.S. SECURITY INTERESTS

Senator MCCAIN. We are going to hear a great deal about peace dividends and cuts in defense spending this year, and the argument is going to be made that we no longer face a major threat. What are the major risks or possible threats that you see in the future as the key contingencies to be considered in shaping our future force levels?

Mr. GATES. I would group the current risks or threats to U.S. interests into two areas: the first is the general problem of weapons and technology proliferation around the world, and the second would be a list of regional concerns any one of which could develop into a major policy crisis for us. This last includes the problems associated with the disintegrating Soviet empire. First, proliferation:

— The accelerating proliferation of nuclear, biological, and chemical weapons, and associated technologies both for weaponizing and delivery systems, is probably of the gravest concern in the long run. The more countries that possess such weapons or capability to manufacture them—even if for deterrent purposes—the greater the possibility that such weapons will be used. Only Soviet and Chinese missiles now threaten U.S. territory, and we do not expect any increased risk from the special weapons of other countries in a conventional military sense for at least another decade. In contrast, the threat to Europe, the Middle East, and Asia is growing.

— U.S. or allied forces deployed abroad could face an increased threat of air-delivered nuclear weapons before the end of the decade. Some inaccurate but serviceable ballistic missiles with nuclear warheads are likely to be fielded by a number of countries in coming years. Several countries possess missiles and rockets that could carry nuclear warheads. If any of those countries could obtain a few nuclear warheads, it would instantly become a nuclear power.

— Most countries in the Middle East have chemical weapon development programs, and some already have stockpiles suitable for employment against civilians or poorly defended military targets. Currently, their delivery systems are rudimen-

tary, but over the next decade, we expect chemical-tipped mobile short-range missiles to become widespread from North Africa through South Asia.

— China and North Korea may sell other countries longer-range missiles or the technology to produce them. Acquisition of such missiles by countries that have special weapons would expand and accelerate the special weapons arms race that is already under way in the Middle East and South Asia.

— We are watching the republics of the former Soviet Union to see if and how they enter the world weapons and technology market. Their need for hard currency may take precedence over proliferation concerns, particularly among republic and local governments with high concentrations of defense industry and little else that is marketable.

— Of more immediate concern is the possibility that the Soviets will not be able to maintain adequate safeguards in the process of reducing and dismantling much of their arsenal of 30,000 nuclear weapons. We are now monitoring a large-scale effort by the nuclear republics to move tactical nuclear weapons back to Russia.

Among the regional problems which are of concern to us is the emergence of regional powers in place of the former Soviet Union. I contend that the emergence of stable, friendly, competent democracies in Russia, Ukraine, and other former Soviet republics is of vital importance to the interests of the United States, indeed, those of the whole world.

— The newly sovereign republics vary in political complexion. None of them, either individually or collectively has the desire or ability to pose as great a threat to U.S. security as did the U.S.S.R. Nevertheless, the situation is dangerously unstable. All of the former Soviet republics face enormous economic, social, and political problems that will make the transition to democracy and a market economy difficult and potentially dangerous. The possibility cannot be ruled out that these circumstances could produce a return to authoritarian government—whether led by reformers or by nationalists driven by a xenophobic, atavistic vision of Russia.

— The remaining force of strategic nuclear weapons in the former Soviet Union is a top intelligence priority. The new leadership of Russia, joined by that of other nuclear republics, has indicated a desire to cut these forces far below START levels. Even if only a diminished stock of strategic weapons eventually is retained in former Soviet territory, they would still be capable of devastating the United States and other countries. Therefore, as long as there is any possibility that the turmoil in the region could stimulate the emergence of a new, hostile regime, the remaining strategic weapons will be of concern.

— Aside from the former Soviet forces, the most significant military forces which might threaten the United States belong to China and North Korea:

— Only China has the capability to attack U.S. territory, though the North Koreans can bring formidable capabilities to bear on U.S. forces stationed in South Korea. China has deployed a small force of nuclear-tipped ICBMs, some of which are aimed at the United States. We believe they will deploy additional strategic and regional nuclear forces in the 1990s and a new, mobile ICBM will probably be fielded in the decade as well.

— China may come to concern us for other reasons. They are making a major effort to modernize their armed forces building on the large-scale reorganization and down-sizing of their military in recent years. In large part we expect this effort will be accomplished by acquiring modern advanced technology weapons and expertise from whatever sources they can, including the former Soviet Union. Their focus will continue to be on aerospace and missile/rocket technology.

— North Korea has invested heavily in the military and depends on arms exports for much of its hard currency. They have a million-man army with about two-thirds of its ground combat forces deployed within 60 miles of the DMZ just north of Seoul. We worry about the consequences for stability in northeast Asia if North Korea acquires nuclear weapons.

— The Middle East will remain an area of potential instability. Iraq will continue to draw our attention for at least the immediate future. Iran continues to be a potential future regional adversary. Like China, Iran has embarked on an ambitious effort to develop its military and defense industries, including programs for weapons of mass destruction. Iran is looking for partners to provide weapons technology and expertise as well as missiles and nuclear technology. The Iranians are also looking to China and North Korea for missiles and nuclear-related technologies. Iran is also moving aggressively into former Soviet Central Asia to solidify relations with the newly-independent Central Asian republics.

General CLAPPER. In reviewing the key contingencies that the United States and its allies will face in the future, several conflicts are likely to occur, or in fact are

already occurring, that might involve a future limited commitment of U.S. forces, including support to U.S. peacekeeping operations. There are also a few potential conflicts that are relatively less likely, but which would threaten vital U.S. interests and require a substantial commitment of U.S. forces. The most serious potential conflicts the United States confronts—North Korean attempt to unify the peninsula by force or a conflict among the major military powers in the Middle East/Persian Gulf region—will be influenced by perceptions of U.S. defense and foreign policy.

A decline in the U.S. commitment to security in Northeast Asia or the Middle East, concomitant with a decline in U.S. capability to provide timely military support to regional allies, could inspire risk-taking on the part of regional states. However, even with steady, visible U.S. support, the potential for large-scale conflict remains.

A low- and medium-intensity conflict; i.e., insurgencies, terrorism and the virulent commerce of illegal narcotics, will remain largely immune to U.S. prevention or deterrence. The persistence of political, cultural, and economic disparities, both real and perceived, will continue to fuel conflict and unrest from which only the northern hemisphere may largely be spared. These security challenges will require unique and specialized responses that will tax U.S. Armed Forces qualitatively rather than quantitatively. However, the reality will continue to exist that if limited, precise responses are not effective, larger measures to resolve incessant problems could be required.

Senator McCAIN. During Desert Storm, we saw three sets of problems emerge in the intelligence process. First, a failure to accurately estimate the size and readiness of Iraqi forces. Second, a shortage in some of the assets needed to support field commanders. And third, major problems in estimating damage and casualties. Could you describe what has been done in each area to correct these problems in the future?

Mr. GATES. To begin with, I would note that intelligence support to Operation Desert Shield/Desert Storm was very successful. Intelligence support to the war effort was characterized as outstanding. General Powell noted that never before had commanders in the field been so well served by their intelligence components.

There was no failure to estimate the size and readiness of Iraqi forces. CIA and Intelligence Community estimates of Iraqi manpower at the start of the coalition air operations were supported by what the Iraqis told the Soviets at the time, about 500,000. By the start of the ground campaign on February 24, the Community estimated that attrition from the allied air operations and associated problems had reduced that by about one-third. Regarding readiness, after the air operations started and as intelligence agencies in Washington and in CENTCOM learned more about Iraqi forces occupying Kuwait from the increasing numbers of defectors and POWs, our estimates of their capabilities reflected the story of declining morale and crippling problems with command and control and logistics.

The exact nature of a "shortage in some of the assets needed to support field commanders" is unclear. There were some instances where the military intelligence services were unable to transmit certain classified data to all echelons of command because of shortcomings in the theater classified communications networks. CINCENT and his component commanders were given the type and amount of intelligence information they required to do the job. One of the great successes of this operation was the capability, for the first time in warfare, to provide real-time or near real-time intelligence in such volume directly to field commanders.

There is room for improvement in coordinating intelligence efforts with operational commanders at all levels. In this regard, I directed a task force last December to look into the matter of improving CIA support to military commanders. As a result of that task force's recommendations I have directed implementation of a number of actions to insure better coordination of the intelligence support activities of CIA with military planning. DIA will continue to focus work within the Department of Defense to improve direct intelligence support to our Unified and Specified Commands and their forces.

The third part of your question addresses "major problems in estimating damage and casualties." Differences did evolve between elements of the Washington Intelligence Community and CENTCOM intelligence regarding estimates of attrition of Iraqi material. Such differences in this case, as in past wars, resulted from different analytical methodologies and information. Once the magnitude of the differences became apparent CENTCOM analysts reviewed their methodologies and made appropriate adjustments. Led by DIA, the Intelligence Community is conducting an in-depth review of the BDA issue to develop better methodologies for use in future conflicts.

**General CLAPPER.** Estimates of the size and readiness of Iraqi forces were sufficiently accurate to allow for planning of the necessary military actions to initially defend Saudi Arabia and subsequently drive Iraqi forces from Kuwait. Certainly, the size and readiness of Iraqi forces faced by our ground troops were significantly lower than our initial estimate. However, the decrease was due much more to the effectiveness of our air campaign than it was to any shortcoming in our original estimate.

The lack of assets provided to field commanders impacted two principal areas. The first was the capability to disseminate high-quality imagery that tactical-level commanders needed. The second was a limited capability to provide intelligence information such as electronic order of battle, threat data, fused intelligence, and other intelligence data base information in a timely manner.

Secondary imagery dissemination systems (SIDS) are the means by which imagery products are disseminated to the tactical level. Standards for transmission of imagery data via SIDS, National Imagery Transmission Format Standards (NITFS), were being worked on, but were not in place during the Gulf conflict. The resultant lack of interoperability among the various systems employed was the primary cause of failure to disseminate imagery to the tactical level. Baseline standards for software have now been agreed upon for NITFS, and development of standard communications protocols, Tactical Communications Standards TACO 2, is underway. Implementation of the standards is expected in fiscal year 1993. Additionally, as a result of its new authority, DIA is taking a robust management stance for SIDS procurement that will ensure future interoperability and quality standards.

The Navy has been appointed executive agent for the developing of multifunctional, deployable automated data processing (ADP) capability providing intelligence information support to deployed commands. This system, the Joint Deployable Intelligence Support System (JDISS), will provide alternate ADP paths and a link to national intelligence information systems. JDISS is being field-tested by USLANTCOM.

Estimating damage and casualties poses a number of difficult problems because it stresses all collection capabilities and requires experienced analysts who can apply sound military judgment to the limited quantifiable data that can be obtained during combat. Battle Damage Assessment (BDA) is being included in joint doctrine to ensure that the requisite level of expertise is maintained and that BDA functions are included in planning for future crises. A concept of operations for BDA has been drafted and is being coordinated within DIA. Planning for a joint tactics and techniques publication addressing the details of performing BDA has been initiated. Most importantly, training plans are paralleling the development of joint BDA doctrine and practice.

**Senator McCain.** We keep hearing round numbers for the countries developing long range missiles and nuclear weapons, and vague statements about the nations developing chemical and biological weapons. What is the community doing to improve its collection and analysis on such threats? Is there an integrated report on such efforts? Is such a report available to Congress at a Top Secret or lower level of classification so it can be used at a working level?

**Mr. GAYNE.** With the diminution of the threat from the former Soviet Union, technical and human source collection as well as analytic talent throughout the community is being refocused on this threat. [Deleted].

Last summer we produced the first integrated worldwide report on these weapons, NIE 5-91, covering both recipient countries and suppliers, and estimating developments over the next decade; we hope to update this estimate annually. [Deleted.]

**General CLAPPER.** The Intelligence Community has shifted resources from the former U.S.S.R.-Warsaw Pact threat to cover proliferation issues. Within the DOD, the capability to collect, process, and analyze proliferation-related intelligence resides within the GDIP as well as a variety of operational, acquisition, and laboratory elements. DIA has reviewed its programs, and those of the military services. They reflect the new global reality, and we have merged several major service intelligence entities with DIA elements to achieve greater efficiency and more focused S&T intelligence production. These changes will provide a more centralized and efficient mechanism for collecting, processing, and analyzing intelligence relating to worldwide technology transfer and proliferation-related issues. An integrated report on these efforts is not available.

**Senator McCain.** The U.N. effort in Iraq illustrates a major problem in intelligence analysis: The uncertain collection priorities for proliferation coupled to a failure to look at all of the advances taking place in technology that ease the problem of proliferation. What is being done within the Intelligence Community to examine the evolving technology of biological, chemical, and nuclear weapons; weaponization

of such devices, delivery systems, and C<sup>3</sup>I/BM systems? When will improved reporting be available to Congress?

Mr. GATES. One of the lessons of Iraq is that each country pursues a unique combination of initiatives—within the bounds of technology and resource availability—towards country-specific, strategic-force goals. [Deleted.]

Collection priorities are not a problem; what we most need to know are the priorities of these countries' military and technological decisionmakers, and what their capabilities are to weaponize, deploy, deliver, and control what they have. [Deleted.]

General CLAPPER. We have a widely based program to assess the proliferation of weapons of mass destruction and their delivery means. DIA and other GDIP elements have implemented a wide range of initiatives to improve our intelligence posture relative to high priority proliferation issues. In addition, DIA is committed to work in unison with the DCI's Non-Proliferation Center and other Intelligence Community committees and activities dealing with proliferation. Increases in Intelligence Community analytical reporting should be evident later this calendar year.

Senator McCain. What is being done to improve the analysis of the transfer of conventional weapons and dual use technology to developing countries? What is being done to identify the specific firms and countries providing such transfers, and improve our understanding of the ability of Third World nations to use such transfers effectively?

Mr. GATES. DIA's analysis of conventional weapons transfers is first-rate and needs no improvement; CIA is continuing to improve its analysis of these transactions' economic dimensions—including the impact on the exporter's defense industrial sector and the importer's defense budget. [Deleted.]

General CLAPPER. The increased complexity of the expanded analysis problem of transfers of arms and technology to developing and third world countries is being actively addressed by several means through both the collection and analysis phases in intelligence production. Improvement in the analysis of such transfers is being accomplished through the increased use of automation to develop data bases to track and correlate the voluminous information from many sources. This includes expanded use of open sources (unclassified) of information. Analyst training is being reoriented from a bipolar world environment to multinational concerns and issues.

Senator McCain. What is being done to identify the specific firms and countries providing such transfers, and improve other understanding of the ability of Third World nations to use such transfers effectively.

General CLAPPER. The various intelligence collection plans on technology transfer have been modified to ensure inclusion of monitoring of firms in developing and Third World countries. Increased coordination with U.S. Customs and Department of Commerce Enforcement personnel will add to the data base of specific foreign firms involved in the transfers of sensitive technology. The DOD S&TI production centers are beginning to produce a new series of studies on the weapons acquisition strategies of selected developing and Third World countries. These studies will examine the weapons acquisition goals of the countries and their indigenous capability to produce the weapons. Also planned are studies on the programs of such countries to acquire the weapons or technology from foreign sources for direct use or assimilation into their technology base.

Senator McCain. What is your current assessment of the role the PRC, North Korea, and Pakistan are playing in transferring missile or weapons of mass destruction technology? What is your assessment of the role of firms in major European countries, specifically Germany, France, Italy, and the United Kingdom?

Mr. GATES. [Deleted.]

General CLAPPER. China and North Korea are playing major roles in transferring missiles and technology to Third World nations. Pakistan's role as a proliferant is not as well established. China delivered the CSS-2 intermediate-range ballistic missile to Saudi Arabia, and North Korea has exported its SCUD B short-range ballistic missiles. Deliveries of Chinese ballistic missiles to Pakistan, Iran, and Syria cannot be confirmed. Pakistan remains very active in its pursuit of weapons of mass destruction. Strong evidence linking Pakistan's nuclear program to nuclear weaponization caused the discontinuation of financial and military aid from the United States. In February 1991, the United States protested China's plans to deliver M-11 missiles to Pakistan. China deferred, if not terminated, its delivery of M-11 missiles to Pakistan after realizing its most favored nation status would be suspended. By maintaining their close relationship with Islamabad, the Chinese may avoid U.S. restrictions while playing a prominent role in guiding Pakistan's missile technology acquisition efforts against prominent Western countries. Overall, there may be a trend toward supplying missile technology over finished missiles to the Third World.

Technological assistance is more difficult to detect and easier to deny to the international community because much of the technology also has benign applications in civil projects.

Both the British and the French provide significant levels of military assistance, including missiles, to their allies. Firms in these countries are also sources of weapon technology. German firms have been the most predominant sources of technology to Third World nations. While certain German firms are continuing to be involved in supplying missiles and technologies used in weapons of mass destruction, the German Government appears to have stepped up its efforts to monitor the sale of sensitive subsystems and technology. Germany has been refusing to provide export licenses to some countries believed to be developing nuclear weapons, such as Libya and Pakistan. Although Italy has supplied weapon technology to the Middle East, it has become increasingly concerned about export compliance as well.

[Whereupon, at 11:36 a.m., the hearing was adjourned.]



# **THREAT ASSESSMENT, MILITARY STRATEGY, AND DEFENSE PLANNING**

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**WEDNESDAY, JANUARY 22, 1992**

**U.S. SENATE,  
COMMITTEE ON ARMED SERVICES,  
Washington, DC.**

## **INTERNATIONAL SECURITY ENVIRONMENT OVER THE NEXT DECADE**

The committee met, pursuant to notice, at 11:50 a.m. in room SH-219, Hart Senate Office Building, Senator Sam Nunn (chairman) presiding.

Committee members present: Senators Nunn, Exon, Warner, Thurmond, Cohen, Lott, Coats, and Mack.

Committee staff members present: Arnold L. Punaro, staff director; Richard D. DeBobes, counsel; and Madelyn R. Creedon, counsel.

Professional staff members present: Robert G. Bell; Richard E. Combs, Jr.; Richard D. Finn, Jr.; David S. Lyles; T. Kirk McConnell; and Michael J. McCord.

Minority staff members present: Patrick A. Tucker, minority staff director and counsel; Romie L. Brownlee, deputy staff director for the minority; Judith A. Ansley, Brian D. Dailey, George W. Lauffer, and Ann Elise Sauer, professional staff members.

Staff assistants present: Cindy Pearson and Mickie Jan Wise.

Committee members' assistants present: Donald A. Mitchell, assistant to Senator Glenn.

Chairman NUNN. I am going to defer to Senator Thurmond. I will take his place in line. He has to leave. Senator Thurmond, why don't you lead off.

Senator THURMOND. Thank you, Mr. Chairman. General Clapper, on my recent trip to the former Soviet Union, we were told that President Yeltsin could not afford to cut back on military production because the military would never pardon him if he took such steps. Does your analysis of the military in the former Soviet Union support such concerns, and, if so, can President Yeltsin keep the military under control?

STATEMENT OF GEN. JAMES R. CLAPPER, JR., USAF, DIRECTOR, DEFENSE INTELLIGENCE AGENCY; AND HON. ROBERT M. GATES, DIRECTOR OF CENTRAL INTELLIGENCE AGENCY, ACCOMPANIED BY: LAWRENCE K. GERSHWIN, NATIONAL INTELLIGENCE OFFICER, STRATEGIC PROGRAMS, CENTRAL INTELLIGENCE AGENCY; GEN. DAVID ARMSTRONG, NATIONAL INTELLIGENCE OFFICER, GENERAL PURPOSE FORCES, CENTRAL INTELLIGENCE AGENCY; AND ROBERT E. BLACKWELL, NATIONAL INTELLIGENCE OFFICER, RUSSIA AND EURASIA, CENTRAL INTELLIGENCE AGENCY

General CLAPPER. Well, I think, first of all, Senator Thurmond, the military—and certainly this has been reflected in some of the private dialogue that some of our folks have had with military leaders in the former Soviet Union, I think they recognize and acknowledge that they must scale down the former Soviet military, the CIS, et cetera, that they must have a much smaller force structure, they must change their doctrine, strategy, and all that. I think President Yeltsin's attempts now, his thrust is going to be to improve the quality of life, the housing, the pay, the day-to-day mundane concerns like that that are very much on the professional environment, if you will, of the military. I think as long as he attempts to do that, as long as he can continue dialogue with the military, as he has with the assembly, as I anticipate he will, again, I think he will be able to reach a semblance or a sense of agreement with the former Soviet military.

Senator THURMOND. The Ukraine was very strong to indicate they are going to have their own military and have no part of this unified command of the former Soviet Union. Mr. Gates, what role, if any, are the newly independent republics of the former Soviet Union playing in the rearmament of Iran? I am especially interested in the role of the Muslim republics.

I notice in the "Chicago Tribune" of the 19th, Mr. Christopher Drew and Mr. Michael Ott made the statement, "Iran is quietly buying billions of dollars worth of advanced fighter planes and tanks from Russia and other former Soviet republics, raising fears that it could replace Iraq as the biggest menace to peace in the Persian Gulf, U.S. officials say. The sales also show how the collapse of the Soviet Union could set off a frightening new wave of arms purchases by Third World nations that have supported terrorism and oppose a stronger U.S. role in several crucial regions." I wonder what comment you would have on that.

Mr. GATES. Senator, I can give you some information that we have here. There have, in fact, been a number of arms sales from the republics of the former Soviet Union to Iran [deleted].

Senator WARNER. Can you give us dates?

Mr. GATES. These are all impending deliveries. So it is current. [Deleted.] They are also getting other equipment from Poland. [Deleted.] They are also getting [deleted] weapons from China and North Korea.

[Deleted.]

So, as I indicated in the prepared statement, the Iranians are seeking, with some vigor, to build their forces, both their conven-

tional forces and their weapons of mass destruction capability, and they are turning to some of the republics to this end.

Senator THURMOND. That is of deep concern to this country, isn't it?

Mr. GATES. Yes, sir.

General ARMSTRONG. Sir, could I add one thing? [Deleted.]

Chairman NUNN. [Deleted.]

General ARMSTRONG. [Deleted.]

Senator THURMOND. General Clapper, the newspapers and reports are frequently reporting stories on the instability of the military forces of the former Soviet Union, especially the unrest caused by the shortages of food and housing for the troops. Is there any concern that the discipline required to maintain the security for their nuclear weapons is lacking and, therefore, theft or terrorist activities against the weapons is a potential problem?

General CLAPPER. As I indicated in my statement, sir, based on what we can see, the Russians and the nuclear republics have been very conscientious about protecting the security of nuclear weapons, [deleted].

Now, by the same token, given the number of weapons, particularly the smaller ones—torpedoes, mines, and the like—you cannot totally rule out the possibility of a theft, a seizure, or something of that nature.

But, thus far, [deleted], they have been very secure.

Senator THURMOND. Thank you very much. Thank you, Mr. Chairman.

Chairman NUNN. Thank you, Senator Thurmond. Senator Thurmond took my place. So it is now Senator Warner's turn and then Senator Exon's turn.

Senator WARNER. I call for regular order, Mr. Chairman.

Chairman NUNN. That's all right, John. You go ahead.

Senator WARNER. Thank you. Let's just go right to the point that I have been dwelling on this morning about this nuclear issue, Mr. Gates. Is there any evidence that the republics might wake up and suddenly recognize the importance attached to continuing as nuclear powers? We all know that there is a tremendous force multiplier with a nuclear weapon. It is far less expensive than, say, 100,000 or 200,000 home troops, be they Guard or whatever they want to call them. Is there any evidence to indicate that they may wake up here and stop the trains flowing from Ukraine and Kazakhstan presently with attacks and say hey, let's slow this thing down? We want to have some stronger bargaining, not only with our fellow republics, but also with the world at large, which respects nukes.

Mr. GATES. Senator, I think that one of the things that has not received quite as much explicit attention as it probably should have is that, in all of these declarations about unified command and control of strategic weapons in the Commonwealth, it has been—and I invite my colleagues to correct me if I've got this wrong—but I believe that it has been Byelarus and Ukraine that have been indicating their willingness to send back their weapons to Russia.

What we have not heard is a similar commitment on the part of Kazakhstan, a pledge that they are willing to participate in a unified command and control system and so on. They have also not

signed up to some of these other agreements that the others have. So I think there is a cause for concern in that respect.

As long as the relationship between Ukraine and Russia remains reasonably amicable and they work out some arrangement for the division of the Black Sea fleet, I think that the likelihood that the Ukrainians will reverse themselves, in terms of getting rid of their nuclear weapons, is low.

[Deleted.] Do I have that correctly?

Mr. GERSHWIN. May I add a couple of points?

Mr. GATES. Yes.

Mr. GERSHWIN. The tactical nuclear weapons are being moved very rapidly out of the republics.

Senator WARNER. Now, be careful. Is that all of the republics, because I think the Director very carefully singled out two?

Mr. GERSHWIN. Let me clarify. [Deleted.] This, I think, is consistent with what some of you were told in Russia and other places last week. By July, we have every reason to believe that all the tactical nuclear weapons will be out of there, and probably a lot sooner than that.

Senator WARNER. So you think there is no danger of somebody putting the brakes on or reversing this?

Mr. GERSHWIN. Well, they'd better put them on really fast if they're going to do it because very soon it is going to be over.

Senator WARNER. All right. I accept that.

Mr. GERSHWIN. On the strategic weapons, the only clarification that I would raise is that [deleted] in Kazakhstan, they expect to have the nuclear weapons, the strategic nuclear weapons, out of Kazakhstan by the time the treaty is fully implemented, which would be, like, in 1997-1998. [Deleted.]

Ukraine and Byelarus want them out by 1994 or sooner. [Deleted.] So the Kazakhstan disposition of weapons I think remains an open question. With the others, the trend is very favorable.

Senator WARNER. General, in your statement, I will read from page 6: "The Commonwealth members have agreed that all tactical nuclear weapons will be withdrawn by July." That seems to me to indicate uniformity among all republics. Is there some modest difference of viewpoint, then, between the CIA and the DIA on that point?

General CLAPPER. I don't think so, sir. I think we're both agreed from the evidence that we can see, [deleted].

Senator WARNER. So you don't see any disagreement between the two agencies?

General CLAPPER. No, sir. [Deleted.]

Senator WARNER. Director Gates, I have one last question for you. What is the relationship between the Soviet Union now and Iraq, given that we hear that they are—I keep saying the Soviet Union; I mean the Commonwealth of the Republics—what is the status between any one or several of them and Iraq? What is the likelihood that President Yeltsin and others would be supportive of our President and other world leaders should we want to hang in on the sanctions for a longer period or even institute more stringent measures to further limit Saddam Hussein's ability primarily in the area of weapons of mass destruction? Given the shipment of arms now to Iran, have they gone and tilted the other way?

Mr. GATES. Again, I would defer to my colleagues to correct me, but [deleted]. I think that President Yeltsin, and particularly the leaders of those republics that seek assistance from the West, will continue to be pretty reliable partners in dealing with the Iraqis.

But I would say this, and it's one of those things that kind of takes place under the blanket that I would worry about. There are just a lot of long-standing contacts between the military and the KGB with Iraq, with Saddam Hussein's regime. [Deleted.] I think that the potential for some contacts in Baghdad without authorization from the republic governments is a very real one, based on those old contacts.

Senator WARNER. General, do you have any views on that question?

General CLAPPER. I would add—[deleted].

I think there is great incentive for the Russians now not to deal with Iraq to the maximum extent possible, given the more temperate role, perhaps, that the then-Soviet Union, I guess now Russia in the lead, would play in the world. I think they want to nurture the notion of a temperate world class power on a par with us. So I think there is great disincentive for them not to become involved with the Iraqis, particularly as long as Saddam Hussein is in power.

Senator WARNER. Mr. Chairman, my time is up.

Chairman NUNN. Thank you. Senator EXON.

Senator EXON. Mr. Chairman, thank you very much. Mr. Gates, I want to return to what you were just talking about. But let me ask you a question that I have been wondering about for some time. What happened to the significant number of military aircraft that was dispatched for safety reasons to keep us from destroying them during the Gulf War? Have they been returned by Iran to Iraq?

Mr. GATES. No, sir. Iran's Air Force is considerably larger than it was before the war.

Senator EXON. In other words, they have just kept them?

Mr. GATES. I think so. Yes, sir.

Senator EXON. You say you think so. Don't we know?

General ARMSTRONG. They have not returned the military aircraft.

Mr. GATES. They have not returned the military aircraft.

General CLAPPER. [Deleted.]

Senator EXON. Let me just give you a short briefing on what we found out over there. I do not think you are correct in saying that there could be any problem between the Ukraine and Russia with regard to the return of nuclear devices, even disputes I think they might have over the Black Sea fleet. We got the clear and unequivocal assurance from the President on down in the Ukraine, from the President, from the Secretary of Defense, who is a three star Air Force officer, and to their Supreme Soviet of the Ukraine. We hammered it home. Even if none of the other countries agrees to return any and all, they are still going to do it. They are very much driven by that. And they made it crystal clear. So I wouldn't have any concerns about them not living up to returning all of the tactical by July 1 and all of the ICBMs by 1994. I believe they are dedicated to that. But something could happen.

On Byelarus, we weren't there, so I don't know about them. But I suspect you are right and that they are probably in line with that.

Let me tell you, though, what we ran into in Kazakhstan with their Supreme Soviet there. There were about nine of them sitting across the table from us. One of them was a former diplomat who serves there now. He obviously was part of the Green Movement. He wanted to stop all testing. He wanted to get rid of all nuclear devices.

Then Senator Levin asked a question of the man seated two seats from him, who turned out to be a member of that group, who was also a leading nuclear scientist and, obviously, a Muslim. His response to the question was no, we are not going to return the tactical weapons, the ICBMs. I think they are going through the process and very likely will return all of the tactical weapons. But he said we are not going to give up our ICBMs, given the fact that we have a nuclear power in Russia, to our north, and a nuclear power in China, to the south and east.

He said it may be that you are concerned about a Muslim country having an ICBM. Those were about his words. Nobody challenged that. I think we have a potential problem there with Kazakhstan and that particular area. I suspect that some elements within that country probably have closer communication with at least Iran and possibly with Iraq than we would like to admit. I hope we would keep pursuing that because that gave us some cause for concern.

I would hope, as I brought up this morning, that somebody from your organization could check out and give me a detailed briefing on what the scientific community feels about the feasibility of their reprocessing facility there at Chelyabinsk-65. We were there. As you know, of course, that is the site of the atomic lake or one of the atomic lakes that they have up there. They were very forthcoming with us.

In any event, I would just say that I didn't press you in open session because I do not think it is in our interest to say that President Yeltsin is going to fall. But in this room I must tell you that I do not agree with your statement that there is a good chance that Mr. President Yeltsin will survive. I would say it's 50/50 at best. I hope I'm wrong. But we heard lots of unrest and concerns. I think he has less than a 50/50 chance of making it. I hope I'm wrong. But we had better be planning for that eventuality because it could be facing us.

There were open discussions in front of us, in front of the Supreme Soviet of Russia, where one member said he will be out and gone by March 1 and two or three others jumped all over him and said they don't want to hear that. So there is a lot going on there right now. My time is up, Mr. Chairman.

Mr. GATES. Mr. Chairman, I might just respond briefly to Senator Exon in the sense that he and I had a brief conversation before the committee resumed.

Chairman NUNN. Certainly.

Mr. GATES. [Deleted.] So there is no question but that he is going to come under enormous pressure.

[Deleted.] Of course, the danger there is that, to the degree he slows the reforms, he also retards any kind of economic recovery and prolongs the pain. So he has some terrible decisions to make.

Senator EXON. I just might add, if I could take an additional 20 seconds, for the information of the other Senators who are here that we visited with Mr. Shevardnadze. I also had visited with him when I was there this spring.

Mr. Shevardnadze has, in his own words, said that he is gloomy about the future. He obviously thinks there is the chance that President Yeltsin will fall, and he is very much against that. Then he said that if that happens, rather than what I told you in the spring, I cannot say that there might not be some forces that would arise that would turn the clock back. I am not suggesting that it would come, necessarily, in the form of a coup, he said, but a general rebellion among the people, which would make it impossible for him to survive. So there are major concerns there and we shouldn't down play them.

Chairman NUNN. Thank you, Senator Exon. Senator Mack.

Senator MACK. Thank you, Mr. Chairman. I would just like to underscore the comments that Senator Exon made about the comments made in Kazakhstan with respect to Muslim country possession of nuclear weapons. It was a shocking kind of statement for us. Mind you, that is one person. There were comments made after the meeting that indicated that others believed that as well. But I don't know that you can draw the conclusion from that one statement that that is, in essence, what the policy of the country is going to be. But it was certainly a set of comments that opened up our eyes rather significantly.

I want to follow up on the discussion about the \$400 million and how we would use it and, I guess, just express my own personal feelings. Back last year, when we were looking and saying there were problems about the tactical weapons, the whole purpose, I think, for the President's proposal was to encourage President Gorbachev to be able to make a similar kind of proposal to get the tactical weapons under control. We went over there thinking that there was going to be either a transportation problem or a storage problem. While there may be some transportation difficulties, it appears that they are moving these tactical weapons rather rapidly and that the July date looks like something that they, in fact, can meet.

The question I have to ask myself—and maybe this is not a legitimate question to ask you—but the question I have to ask myself is this. Is it in our best interest to go to this next step of saying well, now that we've got all of these weapons back into Russia and under some form of control, do we go to the next extent and spend money to convert plutonium, weapons grade plutonium, to commercial use, which I think, in the comments this morning, you said, or maybe Larry said it, you can just turn around and take that and reproduce weapons grade material. My own instincts say to me that if the Russians are going to continue to produce SS-18s, let's say, they, as a society, as a nation, have said their number one objective is to produce these things, and either two or three or four in their priorities is this reprocessing. So why should we come along and give them the resources to allow them to begin reprocessing

while they are still developing weapons? I guess my question through all of that is are SS-18s still being produced? If so, how many are being produced and where are they being produced?

Mr. GATES. They are still producing. Actually, it's kind of interesting. They are still being produced in the Ukraine and deployed in Russia and Kazakhstan. SS-25s are being produced in Russia and being deployed in Russia and in Byelarus. [Deleted] the Black-jacks are being produced in Russia and also deployed in Ukraine. So these things are still being produced, particularly on the missile side.

With respect to your question, it is really more of a matter of policy. I guess the one way that I would address it, in terms of the way you consider it, is: how much importance you attach to the fact that they are dismantling warheads as well as dismantling the missiles themselves? In other words, if you can induce them to dismantle them faster or convert them to something else, even if it can be reversed, it presumably is not a simple process. I am not in any position to answer that question.

Senator MACK. Let me just raise another point. We met with a gentleman by the name of Velikov. In the discussion, someone in the delegation raised the question about, in essence, do you think that there is room for or should we use as a negotiating position—maybe that's the wrong way to say it—the idea of further unilateral reductions in weapons. He just kind of brushed that off as not really being an alternative. I had an opportunity the following day, at lunch, to ask him why he just kind of brushed that aside. His comment to me was because President Yeltsin has spent all of his political capital. My conclusion was that the military just could not allow for any further reductions to take place.

So I mention that to indicate that, while there are those who are saying that in Russia there ought to be an 80 percent reduction in procurement, the political realities that President Yeltsin is dealing with may, in fact, not allow that to occur. I would assume that that is a balance that he is going to have to maintain if the political capital has been spent.

Mr. GATES. Senator Mack, I would invite General Clapper and my colleagues to comment. But I think that the primary, the first priority of the Soviet military—and particularly the commanders of divisions in the field right now—has to do with obtaining food, housing, and care for their soldiers. [Deleted.]

I think, at least for the next couple of months, going through the winter, that is a very important priority for these guys and that they are less concerned with the political agenda than they are with that. [Deleted.]

The political concerns that you address and the way they look at the future of the military and the question of Russian pride in watching what's happened to their force and so on undoubtedly will reassert themselves and may well reassert themselves with enormous vigor and danger.

But my view is that, in the short term, it is how do I get these young men and their families fed, housed, and through the winter. Is that fair?

General CLAPPER. I agree. One other point I would add would be that I think perhaps explicit in some of the expectations, perhaps



with all of the profound changes going on in the former Soviet Union, through it all there is going to be a commitment in Russia, if nowhere else, to sustain some sort of strategic nuclear force. That is a means by which Russia can claim to continue to have a major power status.

So, for international prestige if for no other reason, whether or not the threat, as they perceive it, has gotten fuzzy, I think they are going to maintain a commitment to attempt to keep some semblance of the strategic force viable in Russia. So, ergo, it is not, in my view, illogical or inconsistent that they would try to develop or modernize an ICBM system or SLBM system drastically different from what they were doing before, despite all the upheavals. But, nevertheless, I think they will sustain the commitment.

I think Mr. Gates is exactly right. I think the preoccupation of a commander right now is really not on ideology or political agendas as much as it is the quality of life, as we call it, considerations.

Senator MACK. Thank you, Mr. Chairman.

Chairman NUNN. Let me take my turn here. On Kazakhstan's reluctance to give up possible nuclear weapons on their territory or the nuclear weapons on their territory, I am told that those weapons are really near their border and are in the Russian area, where there is a heavy Russian population, and are under control of a Russian type or Soviet military that would be predominantly Russian. Is that right?

Mr. GATES. Yes, sir. [Deleted] all of the strategic forces are still under the command and control of the Center.

Chairman NUNN. Do you think Kazakhstan, if it chose to, would have the ability, physically, to take control of those weapons, to wrest control and really be in charge of them? Or do you want to defer that to one of your colleagues?

Mr. GATES. Let me defer that.

Mr. BLACKWELL. Politically, no, sir. I don't think so. It is questionable whether Kazakhstan could maintain them and operate them. But I don't think they could ever get control of them, partly for the reasons you have just suggested about their location and the troops that run them and man them are mostly Russian and are responsive to Moscow. Moreover, they are located in ethnic Russian areas of the Kazakhstan republic.

Chairman NUNN. Would they have the ability to keep them from being taken out by the Russians if they decided to?

Mr. BLACKWELL. I think it would complicate the warhead problem. [Deleted.]

So there is nervousness on that front mainly because of the symbolism, I think. But I would not want to over-emphasize how much authority the Kazakh Government or how much military muscle the Kazakh Government, as an institution, has over any of these things. It is more declaratory than what they could do.

General CLAPPER. [Deleted.]

Chairman NUNN. Let me shift to another area. On Iraq, we talked about their ability to reconstitute and their capability over a period of time to reconstitute their weapons of mass destruction. But what about Saddam Hussein now and what is going on internally there? Can you give us some glimpse of that, Mr. Gates, of his support within the Sunni community and whether he is,

indeed, getting into more difficulty? Has he reached a plateau? Where are things in terms of his survival politically and perhaps physically?

Mr. GATES. We think that the stresses in the core of his regime have increased considerably over the last several months. [Deleted.] Whether all of this adds up to the fact that the regime is vulnerable and he may be overthrown I think is just wholly unpredictable. But it is clear that there are new stresses and strains within the regime, [deleted].

So there are a number of straws in the wind that lead our analysts to believe, to just have the feel, that he is under considerably greater pressure. But it would be a mistake, I think, to take that as an indicator that a coup is around the corner. It could be. [Deleted.]

Chairman NUNN. What about his unwillingness to sell oil under U.N. permission? What is keeping him from doing that other than just foolish pride? Is there a real, tangible reason why he doesn't do it?

Mr. GATES. I don't have a better answer than that, Mr. Chairman.

Chairman NUNN. He could take some of the pressure off himself by doing that, could he not?

Mr. GATES. He could. But, you know, it is interesting, what he has done in terms of maintaining control inside the country. They are actually getting quite a bit of food, medicine, and supplies. [Deleted.] Some of it is being left in storage and not used by anybody because he doesn't want to provide it on a wider basis in the country. [Deleted.]

He has begun using resources, scarce resources, to rebuild his defense industries. [Deleted.] Massive resources, in the context of what is available to Iraq, are being used for these military purposes at a time when the rest of the country is starving. So I think it must have something to do both with his pride and the way in which he intends to maintain a choke-hold on that country.

Chairman NUNN. General, you mentioned in your statement: "A secular state in Iraq and a religious state in Iran are inherently at cross purposes. This enmity is likely to lead to situations in which war is a distinct possibility." Could you elaborate on that a little bit? Do you see signs that that kind of antagonism is getting worse now? Do you think that the Iranians may be tempted in the Iraqi's weakened state to take military action? Or do you think the Iraqis are crazy enough to start something?

General CLAPPER. That is certainly a possibility, sir. But as the pendulum of relative power seems to swing back and forth between Iraq and Iran, depending on the outcome of their last dispute, now it seems to be swinging somewhat back to Iran. As they continue their building, and, of course, in relative terms, Iran emerges from the Desert Storm situation as more powerful than it was in the beginning because so much of Iraq's military capability and industrial infrastructure was disrupted or destroyed. Harking back to the Iran-Iraq War in the mid-1980s, the basic animosity I think will continue. There is certainly the specter or the prospect that, once again, animosity could escalate.

Chairman NUNN. Right now, the military balance would be overwhelmingly in favor of Iran, wouldn't it?

**General CLAPPER.** Yes, sir. Absolutely. I would just add a point, sir, to what Mr. Gates said about for whatever reason that drives or motivates Saddam to maintain the control over the country. He, himself, at least, appears bent on restoring military capability. I think it emphasizes the importance of continued intrusive inspections and certainly the sanctions, because that will continue to force his hand and put pressure on him as it becomes more and more difficult for him to shelter the privileged elite that has in the past buttressed his presence.

**Chairman NUNN.** Neither of you mentioned Syria very much in your statements. Do you believe that Syria is still a state that supports terrorism?

**Mr. GATES.** I would have to go back and get the details, Mr. Chairman. I think that over the last couple of years, Syria has expelled from Syrian territory at least a couple of terrorist groups about which we and others in the West had complained. They do, still, I think harbor groups that launched terrorist attacks against Israel. But I think, and I will get a confirmation of this, I think they have drawn a distinction between those groups that carry out terrorist acts in the West and those that carry out terrorist attacks against Israel.

[The information follows:]

There is no evidence of direct Syrian involvement in terrorist attacks since 1986. Since then, Damascus has restrained anti-Western terrorism by Syrian-based Palestinian groups [deleted]. Despite these restraints, both Syria and Syrian-occupied Lebanon are home to a wide variety of international groups that have engaged in terrorism. [Deleted.]

**Chairman NUNN.** There have been recent reports that Iran has provided funding for attacks against Israel. Do we have any confirmation of that, whether Iran is getting more aggressive now in terms of terrorism against Israel and in targets in the Middle East? Do we see any of that?

**Mr. GATES.** Again, I will take that one for the record, Mr. Chairman, but I don't think so.

[The information follows:]

[Deleted.]

**Mr. GATES.** There was this newspaper story a few days ago about specific sums of money being paid for the hostages by the Iranians, who wanted to preserve their relationship with Hizbollah and others to carry out operations in Israel. I don't think anybody in the intelligence community has seen information that would bear out the numbers that were used in that report, if that was the source ultimately of the question. But there is no question but what Iran paid some money to Hizbollah and the others, and I suspect it is in order to preserve Iranian influence in Lebanon and its ability to take action, including against Israel.

**Chairman NUNN.** Thank you. Senator Coats.

**Senator COATS.** On the question of status of Soviet forces in the description that was given, relative to just making it through the next couple of months, does that apply to strategic nuclear forces as well, that the commanders are foraging for food and trading work details for housing and so forth? Or is there a distinction between certain forces and other general military forces?

Mr. GATES. I will invite General Clapper and Larry Gershwin to add. But my impression is that most of the anecdotal information we have about commanders working at cutting local deals and so on pertains more to the general purpose forces than it does to the strategic forces. [Deleted.] Do you agree with that?

General CLAPPER. Yes, I agree with that.

Senator COATS. Is it realistic to expect that the various republics in the control of forces would be able to prevent transfer of at least some, if not weapons, then strategic materials or technology to Third World nations, to other nations?

Mr. GATES. There is a sort of good news/bad news story in this Senator Coats. The good news is that one of the reasons we were so encouraged by the formation of the Commonwealth was the quick harmony reached in terms of command and control of nuclear forces and the recognition by the leaders of the republics, including the four that have nuclear weapons, of the importance of control of these weapons and the dangers that precisely you have outlined. [Deleted.] So, they recognize the importance in principle of reestablishing control and of making these weapons and of keeping their scientists content and the danger of their being recruited by other countries. But their ability to stop it, at least at this point, seems fairly limited.

[Deleted.] So they recognize the problem. But their ability to do very much about it, particularly in the short term, is somewhat in question.

In this connection, Mr. Chairman, if you don't mind, I have a clarification from Bob Blackwell on the salary issue that you raised at the beginning of the hearing in your questions. What Bob would say is that the kind of money they are talking about now is \$1,000 a month, not \$1,000 a year. A thousand dollars a month would restore them to essentially the kind of living standard that they had before it all fell apart for them. So it is about \$10,000 to \$12,000 a year. I think both the DIA and the CIA agree on that.

Chairman NUNN. I was just told—maybe they were dead wrong in conversion in Russian—that Gorbachev's pension was now the equivalent of \$40 a month. I was told by some Russians that \$1,000 a year was like a fortune over there.

Mr. GATES. I think it would be for the average Russian worker.

Chairman NUNN. For the nuclear people, are you talking there of about \$12,000?

Mr. GATES. But nuclear scientists are kind of the cream of the crop in the way they have been treated—access to special stores and things like that.

Senator COATS. Human nature being what it is and conditions being what they are, it is probably realistic to expect that some technology or weapons are going to find their way across some borders, isn't it?

Mr. GATES. I think so, Senator Coats. [Deleted.]

Senator COATS. I would think any leader or dictator worth his money has watched CNN and is now saying give me some of that stuff. In the same way that Iraq accumulated everything it could get its hands on, whether it would even fit into their plans or not, I would guess people are saying I want some of that fancy stuff, too. Let me just ask one last question.

Chairman NUNN. Go ahead and finish your questions. We are going to finish it up. I have a couple of more, but you go ahead and finish.

Senator COATS. Thank you. I just have a couple of questions regarding the Middle East. Which nation is most vulnerable now post-Desert Storm among the Arab nations?

Mr. GATES. Most vulnerable?

Senator COATS. Most vulnerable, outside of Iraq. I assume it is very unstable there. But I mean most vulnerable to somebody living across the border and saying these guys are really weak.

Mr. GATES. I would invite General Clapper to respond, but I would say, in terms of the fragility of the regime, despite his more than nine lives in the past, it would probably be Jordan and King Hussein. He has a very narrow road to walk in terms of balancing between staying on speaking terms with his Arab colleagues and the West and the strong fundamentalist Islamic influence in his elected parliament. That creates grave difficulties for him. So I think, the leader who probably has to watch his step most carefully day to day in terms of his internal political situation among the major Arab countries, it would probably be him. But that's a toughie.

General CLAPPER. Yes, it is. But I would agree with that.

Senator COATS. Who is the strongest politically? Who emerges as the strongest politically out of all of this?

Mr. GATES. Well, I think that both the Saudi regime and President Assad have emerged strengthened by Desert Storm and the role that they played. I think King Fahd clearly felt endangered. My personal view is that President Assad, as he has done so effectively for so long, saw a great opportunity and took it.

Senator COATS. Who emerges strongest militarily? The same two?

Mr. GATES. I would say that, if you are trying to look ahead over the next 3 to 5 years and you are looking at it as a kind of net assessment, I think there are two. The destruction of Iraq's military forces or premier military forces has clearly, as General Clapper suggested, restored Iran to a level vis-a-vis Iraq and the others that it had lost as a result of the Iran-Iraq war. Clearly, Syria also is in good shape. [Deleted.] I would say probably those two.

Senator COATS. Thank you. Thank you, Mr. Chairman.

Chairman NUNN. Thank you, Senator Coats. I have just a couple of additional, but I think important, questions. Given all the changes in the world, Mr. Gates and General Clapper, that we have seen evolve over the last 2 or 3 years—and we have seen beyond what anybody would have imagined—Mr. Gates, updating your testimony on confirmation, what upgrading of priorities do you think are most important for intelligence? Where are your priorities in upgrading and what areas can we downgrade somewhat? I would ask General Clapper the same question.

Mr. GATES. I think that we are going to need to allocate still substantial resources to the Commonwealth for a lot of the reasons that we have been talking about for the last couple of hours. I think after that would come the proliferation problem.

[Deleted.]

I think that a lot of these Third World problems we are going to have to continue to pay close attention to. Those are the flash

points; those are where U.S. troops have ended up being used primarily over the last number of years. We are going to have to pay attention to that, in addition to areas such as counter-narcotics and terrorism.

I think there are other priorities, obviously, and we can talk, if you wish, about economic intelligence and that sort of thing. But in terms of areas where we can scale down, clearly it seems to me that the level of effort we have devoted to indications and warning, that huge structure that was built up to monitor the situation in Europe already is being reduced and probably can be reduced more.

I think that a good deal of the level of effort, and particularly the duplicative effort, within the community on what were Soviet conventional forces can be reduced. I think there can be a cleaner division of labor in terms of how we do some of these things. I think that a lot of the doubling of effort that took place in the past we can probably eliminate. Those would be, just off the top of my head, the primary areas.

As you know, the President has directed all of the policy agencies in National Security Review 29 to review their intelligence needs and requirements out to the year 2005. I am hoping this will provide a zero-based look from the policy-maker's standpoint, not the intelligence officer's standpoint, of what our priorities and overall level of requirements ought to be, looking out for the next dozen years or so.

General CLAPPER. Sir, I would comment, just to tag on to what Mr. Gates said about NSR-29, an important feature of it, which I think is entirely appropriate, is that the intelligence community is specifically proscribed from participating in that. In other words, what we are looking to here is a fresh look from all of the major consumers of intelligence to articulate what their needs are going to be as we look ahead to the end of the decade. I think certainly the time is correct and it is entirely appropriate that we stay out of that and not risk gilding the lily.

At the risk of sounding like an echo, I guess I would agree with the DCI on where our priorities are going. I find it somewhat ironic that in our case, in the DIA, we incurred a 25 percent mandated reduction in the number of Soviet analysts devoted to our main core research effort in the Defense Intelligence Analysis Center, although we have not noticed a concomitant decline in the number of questions and requirements levied on it for what is going on in the Commonwealth.

Certainly, the reduction in the emphasis on warning of war in Europe and a Warsaw Pact attack obviously need to be done away with.

[Deleted.]

Under the DCI's leadership, we have some excellent dialogue now to further cement the relationship between Defense and the CIA, with specific respect to human intelligence. In fact, it's unprecedented; none like I have seen in my career.

Senator COATS. General, you could submit your analysis with a plus or minus 25 percent accuracy. [Laughter.]

You will get the same number of questions, though you will have 25 percent less people. We do that with our polling and things like

that, just put a plus or minus 25 percent accuracy on it to cover yourself. [Laughter.]

Chairman NUNN. Are you losing your Russian speaking specialists?

General CLAPPER. I think over time, [deleted] there is probably going to be a somewhat lesser requirement for Russian, perhaps, and a greater requirement for Ukrainian and other such.

Chairman NUNN. Do we have somebody in intelligence that can speak every language of the new republics?

Mr. GATES. I don't think so.

General CLAPPER. Not a single individual. Not that I'm aware of.

Mr. GATES. [Deleted.]

Chairman NUNN. Do we have somebody who can name all the new republics and their capitals, and correctly pronounce the names of their leaders? [Laughter.]

Mr. GATES. If you can get past Gamsikhurdia, you are in good shape.

Chairman NUNN. General, you touched on the implementation of the defense intelligence reorganization provided for in the Fiscal Year 1992-1993 Authorization Act last year. Could you be a little more specific in telling us your progress in implementing that legislation and the impact of that legislation on your defense intelligence community?

General CLAPPER. Well, one of the main impacts, of course, has been the return or the restoration of the General Defense Intelligence Program (GDIP) managership back to the Director of the DIA.

I have been working that very hard personally. I will be having a major meeting next week with all the unified and specified command programmers, followed by a senior military intelligence officer conference in February, in which we are laying out or just implementing the changes that are required in the legislation.

Specifically, that refers to the increased authority that the five major functional managers within the DIA have for the oversight of their portions of the General Defense Intelligence Program. I'm referring here, of course, to the five functional areas: general military intelligence (production), scientific and technical intelligence, defense human intelligence, imagery and technical collection, and systems and infrastructure. We have reorganized the GDIP staff and made that somewhat smaller, deemphasized the rank of the staff director, and armed the functional managers with appropriate staff to help them execute this responsibility. It is a major cultural change within the DIA because these individuals have to act as community officers, not just senior managers within the DIA.

We have changed the method of operation of the Military Intelligence Board. The NSA is now a full-fledged member, as is Admiral Mike McConnell, as the JCS and unified and specified command representative. He is now a full-fledged member of the Military Intelligence Board. The objective there is to forge a consensus within the services and the DIA on the management of the General Defense Intelligence Program. It is my intent, after these two conferences, to come to you with a briefing in more detail, after about roughly 100 days in office, in which I will outline in more specific terms how it goes with the legislation.

Chairman NUNN. Do you see this as a positive or a negative? Where do you come down on it, your personal view?

General CLAPPER. Not surprisingly, I find it is a very positive development. I hasten to emphasize that I have had full cooperation from OSD, C<sup>3</sup>I. Mr. Andrews and staff have been very supportive and cooperative in assisting in the implementation of the legislation. I think, sir, from the reaction I have gotten from the service intelligence chiefs, they similarly welcome it.

Chairman NUNN. How about you, Mr. Gates? How do you see this? Have you followed this change that we put in last year within the DIA very closely yet?

Mr. GATES. Yes, sir, I have. I am very strongly supportive of the move of the GDIP management back to the Director of the DIA. I think that we are making some substantial headway in laying the foundation for doing some reorganization of the intelligence community staff in terms of how we are going to administer the community budget. General Clapper and the other senior military people are going to be very much involved in that.

Obviously, we were not oblivious to the implications for closer cooperation between the elements of the NFIP and the Defense Department when the President nominated Admiral Studemann to take Dick Kerr's place. At some point, I would be happy to come up and talk about what General Clapper alluded to, in terms of the improved relationship in terms of military HUMINT, support to military operations and planning, including, I hope very shortly, the naming of a military officer as a second Associate Deputy Director for Operations at the CIA.

Chairman NUNN. I think I'm going to talk to Chairman Boren. Perhaps we will have some kind of joint meeting, maybe informal, to discuss it further.

Mr. GATES. That would be fine.

Chairman NUNN. Or maybe formal, I'm not sure. I'll talk to you soon and we'll try to set that up.

Mr. GATES. Happy to do it at your convenience.

Chairman NUNN. And you have gotten cooperation, General Clapper, from the DOD?

General CLAPPER. Yes, sir.

Chairman NUNN. Okay. We appreciate your being here. It has been very helpful.

[Whereupon, at 12:58 p.m., the committee adjourned.]